

EXHIBIT

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A portion of this document has been redacted pursuant to the Stipulated Protective Order (Docket No. 66) (Aug. 30, 2012), ¶ 6. An unredacted version has been filed under seal.

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| <p>IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA Richmond Division</p> <hr/> <p>MARY MORGAN, et al., on behalf of themselves and all other similarly situated, Plaintiffs,</p> <p>vs. Civil Action No. 3:12cv373-JAG</p> <p>RICHMOND SCHOOL OF HEALTH AND TECHNOLOGY, INC.,</p> <p>Defendant.</p> <hr/> <p>DEPOSITION OF CAROLYN LAKE</p> <p>September 12, 2012 9:04 a.m.</p> <p>Taken at:</p> <p>SHELLEY & SCHULTE, P.C. 2020 Monument Avenue Richmond, Virginia 23220</p> <p>REPORTED BY: Lisa M. Blair, RPR COOK & WILEY, INC. Registered Professional Reporters 3751 Westerre Parkway, Suite D-1 Richmond, Virginia 23233 804.359.1984</p> | <p>I N D E X</p> <p>CAROLYN LAKE By Mr. Schlactus</p> <p>PAGE 6</p> <p>E X H I B I T S</p> <p>EXHIBITS</p> <table> <tr><th></th><th>PAGE</th></tr> <tr><td>1 Notice of Deposition</td><td>8</td></tr> <tr><td>2 RSHT0010759</td><td>10</td></tr> <tr><td>3 RSHT0025290 to 25324</td><td>19</td></tr> <tr><td>4 RSHT0031187 to 1188</td><td>43</td></tr> <tr><td>5 RSHT0025559 to 25581</td><td>61</td></tr> <tr><td>6 RSHT0025589 to 25592</td><td>62</td></tr> <tr><td>7 RSHT0025345 to 25355</td><td>83</td></tr> <tr><td>8 RSHT0025555</td><td>96</td></tr> <tr><td>9 RSHT0021753</td><td>100</td></tr> <tr><td>10 RSHT0021754</td><td>107</td></tr> <tr><td>11 RSHT0025334 to 25335</td><td>109</td></tr> <tr><td>12 RSHT0010727</td><td>113</td></tr> <tr><td>13 RSHT0010725 to 10726</td><td>116</td></tr> <tr><td>14 RSHT0010850</td><td>117</td></tr> <tr><td>15 RSHT0010953</td><td>120</td></tr> </table> | | PAGE | 1 Notice of Deposition | 8 | 2 RSHT0010759 | 10 | 3 RSHT0025290 to 25324 | 19 | 4 RSHT0031187 to 1188 | 43 | 5 RSHT0025559 to 25581 | 61 | 6 RSHT0025589 to 25592 | 62 | 7 RSHT0025345 to 25355 | 83 | 8 RSHT0025555 | 96 | 9 RSHT0021753 | 100 | 10 RSHT0021754 | 107 | 11 RSHT0025334 to 25335 | 109 | 12 RSHT0010727 | 113 | 13 RSHT0010725 to 10726 | 116 | 14 RSHT0010850 | 117 | 15 RSHT0010953 | 120 | | | | | | | | | | | | | | | | | | |
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| <p>1 CAROLYN LAKE, a Witness, called by</p> <p>2 the Plaintiffs, first being duly sworn, testified as</p> <p>3 follows:</p> <p>4</p> <p>5 EXAMINATION BY MR. SCHLACTUS:</p> <p>6</p> <p>7 Q. Good morning, Ms. Lake. I know we just</p> <p>8 met, but let me introduce myself again on the record.</p> <p>9 My name is Glenn Schlactus. I am one of the attorneys</p> <p>10 for the plaintiffs in this matter. Let me go over a</p> <p>11 couple of preliminaries about the process today before</p> <p>12 we start in.</p> <p>13 And I don't know if you've been deposed</p> <p>14 before; have you?</p> <p>15 A. A long time ago I had a -- 30 years ago I</p> <p>16 had a land thing that I did a deposition for.</p> <p>17 Q. Okay. Then I won't rush through the</p> <p>18 preliminaries. It's been a while. We want to make</p> <p>19 sure you understand the process and are comfortable</p> <p>20 with it. If you could start by just stating your full</p> <p>21 name for the record.</p> <p>22 A. Carolyn Ann Lake.</p> <p>23 Q. So I'll be asking you a number of</p> <p>24 questions today. And as you know, a court reporter is</p> <p>25 here to take down your answers. So if you could do</p> | <p>1 know that you weren't finished answering, because we</p> <p>2 want to make sure you get a chance to answer each</p> <p>3 question fully; is that okay?</p> <p>4 A. That's fine.</p> <p>5 Q. Are you taking any medication, or do you</p> <p>6 have any illness that affects your memory or your</p> <p>7 ability to testify truthfully today?</p> <p>8 A. No.</p> <p>9 Q. You understand that you are here today as</p> <p>10 what we call a Rule 30(b)(6) designee on behalf of</p> <p>11 RSHT?</p> <p>12 A. Yes.</p> <p>13 Q. And I'm going to use "RSHT" for Richmond</p> <p>14 School of Health and Technology, Inc.; is that okay?</p> <p>15 A. That's correct. Yeah, that's fine.</p> <p>16 Q. And as the designee of RSHT, you</p> <p>17 understand that means you're answering on behalf of</p> <p>18 the company; is that right?</p> <p>19 A. That's correct.</p> <p>20 (Exhibit Number 1 was marked for</p> <p>21 identification).</p> <p>22 Q. Ms. Lake, I'm showing you an exhibit that</p> <p>23 has been marked as Exhibit Number 1. For the record,</p> <p>24 this is the Rule 30(b)(6) Notice of Deposition of</p> <p>25 RSHT. Could you take a moment and review Exhibit A,</p> |

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1 list of topics number 1 through 14?

2 A. (Witness reviewing document).

3 All right.

4 Q. Are you prepared to testify as to all 14
5 of those topics today?

6 A. I think so.

7 Q. Okay. Thank you. And you can put that
8 document aside. I'm going to start out by asking you
9 a number of questions about RSHT's marketing. But
10 first, you're the CEO of RSHT; is that right?

11 A. That's correct.

12 Q. And you've been in that position since
13 when?

14 A. 2006.

15 Q. Were you with RSHT in some other capacity
16 before that?

17 A. Yes.

18 Q. And what was that?

19 A. I started with the company in 2004 as
20 director of compliance.

21 Q. Was that in the corporate office or one
22 of the --

23 A. Yes. Yes, I worked from the corporate
24 level, yes.

25 Q. And 2004 was your first position with

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1 RSHT, correct?

2 A. That's correct. That's correct.

3 Q. And then you stayed with RSHT in that
4 position until you became CEO in 2006?

5 A. That's correct.

6 Q. Okay. Thank you.

7 MR. SCHLACTUS: Would you mark that as
8 Number 2.

9 (Exhibit Number 2 was marked for
10 identification).

11 Q. Ms. Lake, I'm showing you a one-page
12 exhibit, Exhibit Number 2. For the record, it is
13 Bates number RSHT0010759. Can you let me know when
14 you've had a moment to look at that?

15 A. (Witness reviewing document).

16 Okay.

17 Q. Okay. Thank you. Let me direct your
18 attention to the portion -- the top of the right
19 column that pertains to RSHT; do you see that?

20 A. Yes.

21 Q. Can you tell me what this is?

22 A. It's an advertisement in the Employment
23 Guide.

24 Q. What is the Employment Guide?

25 A. It was a paper that was distributed

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1 around to various sections all over the area. It's a
2 marketing tool for any -- for either job searches or
3 businesses.

4 Q. I think you used the past tense. Is this
5 no longer published?

6 A. It is. It went online, and we did not go
7 online with it.

8 Q. So RSHT no longer advertises in --

9 A. No.

10 Q. -- the Employment Guide?

11 A. We haven't since I think fall of last
12 year, or maybe earlier than that. Maybe summer of
13 last year, because they went to, like I said, online,
14 and we did not join them.

15 Q. Why did you not want to join them online?

16 A. Well, if you notice, this page has all
17 schools on it. So we -- we advertised when they had a
18 school section. Since they've gone online, they do
19 not identify a school section. So we chose not to
20 participate in that type of advertising.

21 Q. So with their new setup it's harder for a
22 potential student to zero in on the part you would
23 want them to zero in on; is that right?

24 A. No, actually not. Actually, you know,
25 when you're marketing like this, you don't want to be

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1 over in the employment section. We're not employing
2 someone. So we did the marketing based on their
3 school pages, and they no longer have identified
4 school pages. So we did not want to market like that.

5 Q. How long did RSHT advertise in the
6 Employment Guide, approximately?

7 A. Well, I can -- I think from probably 2007
8 forward, or maybe '6, but quite a long time. I can't
9 give you the exact start date because --

10 Q. That's fine. And that reminds me. I
11 should have said at the outset: What we're asking you
12 to testify about today is the best of your knowledge.
13 Obviously, not try to answer questions where you just
14 don't know the answer.

15 A. Okay. Thank you.

16 Q. Do you see the phrase in this ad, "Learn
17 how far your mind can take you?"

18 A. Yes.

19 Q. That's RSHT's advertising slogan, for
20 lack of a better phrase; is that right?

21 A. Well, when I came to the company it was
22 there. It was always a -- I guess their theme. I
23 wasn't there when it was put there, and it's always
24 been part of their theme, though.

25 Q. When you say "it's always been," it's

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1 your understanding that it's been part of the school's
2 advertising theme since the beginning?

3 A. Since the beginning, yes.

4 Q. Does that phrase generally appear in all
5 kinds of RSHT advertising, whether print, radio,
6 television, or otherwise?

7 A. I don't know that it's in all of our
8 advertising, but it's -- it is out there.

9 Q. Is it generally in most of your
10 advertising?

11 A. Probably.

12 Q. Is this a fairly typical example of an
13 RSHT print advertisement?

14 A. Yes.

15 Q. This advertisement not only notes the
16 programs, but also notes an open house on a particular
17 date; is that right?

18 A. Yes.

19 Q. What is an open house for RSHT?

20 A. We just invite the public in to view our
21 entire facility, go through our campus, enjoy some
22 refreshments, pick up any material that they might be
23 interested in.

24 Q. How often are open houses conducted
25 generally?

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1 A. It's not a regular schedule. We don't
2 have a regular schedule.

3 Q. Is it on the order of five or six a year,
4 as opposed to 20 a year?

5 A. Oh, like I said, we do not have a
6 schedule. We do them occasionally, and did not have
7 open houses, I don't believe, until maybe three or
8 four years ago. Maybe three years ago. It's not
9 something that is just part of -- this is a schedule,
10 and we're going to do it. It's not that.

11 Q. Why did the school start having them?

12 A. Interest. The advisory board discussed
13 it. Interest from high schools that said -- you know,
14 called up to see if we've got open houses, or if they
15 could bring tours in, or whatever. That's how it came
16 about.

17 Q. Have they always been held at the same
18 campus?

19 A. No. Both campuses I believe have had
20 open houses.

21 Q. Does RSHT -- let me start again. I know
22 the Richmond campus recently closed.

23 A. Yes.

24 Q. Until then there were two campuses
25 operating for several years; is that right?

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1 A. That's correct.

2 Q. That was Richmond and Chester?

3 A. That's correct.

4 Q. And before that, it was Richmond and
5 Charlottesville; is that right?

6 A. That's correct.

7 Q. Were there ever three campuses operating
8 simultaneously?

9 A. Yes.

10 Q. For about how long?

11 A. Till we taught Charlottesville campus
12 out. Probably, I don't know, six or eight months.

13 Q. There was about six or eight months of
14 overlap?

15 A. Yeah.

16 Q. The Richmond campus until recently had
17 been open throughout RSHT's history; is that right?

18 A. Yes. It was the main campus.

19 Q. And the transition from Charlottesville
20 to Chester happened approximately when?

21 A. It's in the front of our catalog, the
22 date.

23 Q. Was it around 2005 or 2006?

24 A. Yeah. I think it was '6 or '7. Yeah,
25 right in there. '6, maybe. I think it may have been

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1 March of 2006, but I'm absolutely not sure. I know
2 it's in the front of our catalog.

3 Q. That's fine. Like I said, I was just
4 asking for the best of your knowledge. And I
5 appreciate your pointing to me to where we can find
6 the exact date in the catalog.

7 Were there ever open houses at
8 Charlottesville?

9 A. I really -- I don't remember.

10 Q. Until recently when the Richmond campus
11 closed, were open houses conducted at both campuses
12 simultaneously?

13 A. I don't know.

14 Q. So you don't know if, on any particular
15 date, there would be an open house going on at Chester
16 and Richmond?

17 A. I can't say that they both ran open
18 houses at the same time. I don't know.

19 Q. The open houses were conducted just on
20 campuses; is that right?

21 A. That's correct.

22 Q. Never at the corporate office or at some
23 other location?

24 A. No.

25 Q. Who handles just the logistics of an open

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1 house?

2 A. The school, the campus itself, the school
3 director and the administrators.

4 Q. With what kind of input from the
5 corporate office or yourself as CEO?

6 A. None, really.

7 Q. Were the open houses similar at the two
8 campuses?

9 A. To the best of my knowledge.

10 Q. Similar in what respects?

11 A. Probably offering refreshments, taking
12 them through the school and letting them have tours of
13 the facility. That would be the objective of the open
14 house.

15 Q. The broader objective is to generate what
16 the school calls "leads;" is that right?

17 A. The broader objective would be for people
18 who are interested in seeing what our school is about,
19 they can come in and look at it in an open house
20 without making an appointment or anything else. They
21 may want to just see what we're about, and this gives
22 them the opportunity without any pre-arrangement of
23 doing so.

24 Q. Who from RSHT staffs the open houses?

25 A. Everybody who's on campus. Everyone who

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1 works on campus. We have all of our departments that
2 would be there.

3 Q. So administrative, personnel,
4 instructors, admission staff, financial aid staff?

5 A. (Indicating in the affirmative).

6 Q. You're nodding yes?

7 A. Yes. Yes. I was waiting. I didn't know
8 when you were going to finish; but yes, everybody who
9 is there.

10 Q. And do staff meet one on one with people
11 from the community who come to the open houses?

12 A. I can't -- without being on campus, I
13 don't have that knowledge.

14 Q. I just want to make sure I understand the
15 kind of information that's communicated from RSHT to
16 people who come. You listed -- you said there were
17 tours of the campus; is that right?

18 A. That's correct.

19 Q. Are people given information about RSHT's
20 programs, the purpose of the programs, the cost of the
21 programs, that kind of thing?

22 A. They would receive what we call a fact
23 sheet, which are in your exhibits, on the programs
24 that they may be interested in, or any of the fact
25 sheets. They can take all of them, if they want to.

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1 Those would have been something that would have been
2 out and available. That pretty much would have
3 been -- unless they specifically ask for some type of
4 material.

5 Q. So those fact sheets would constitute the
6 literature that's out there for anyone who's
7 interested to take; is that right?

8 A. That's correct.

9 MR. SCHLACTUS: Would you mark that
10 Number 3.

11 (Exhibit Number 3 was marked for
12 identification).

13 Q. Ms. Lake, I'm showing you an exhibit
14 marked number 3. For the record, this is a collection
15 of pages produced by RSHT. The Bates numbers are not
16 entirely sequential, but they are all in roughly the
17 RSHT twenty-five thousand range. Could you let me
18 know when you've had a moment to look at that?

19 A. (Witness reviewing document).

20 I've looked at it.

21 Q. Are these the facts you were referring to
22 a moment ago?

23 A. Yes.

24 MR. DEWITT: May I just note one thing? I
25 don't want to interrupt you. But these are marked

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1 "confidential."

2 MR. SCHLACTUS: Why don't we go off the
3 record for a second to clear one thing up.

4 (Off-the-record discussion).

5 BY MR. SCHLACTUS:

6 Q. Would the same fact sheets be used at
7 both the Richmond campus and the Chester campus?

8 A. Yes.

9 Q. Is that because if a program was offered
10 at both campuses, it would be the same program
11 regardless of which campus it was at?

12 A. If the program were at both campuses, it
13 would be identical, yes. It would be scheduled to be
14 identical.

15 Q. Did you say it was scheduled to be
16 identical?

17 A. Yeah.

18 Q. Can you explain what that means?

19 A. The curriculum is written. We have
20 director of education. The curriculum is written and
21 disbursed to both campuses to run the same type of
22 scheduling and the same type of curriculum.

23 Q. You have a director of education at the
24 corporate level?

25 A. Yes.

1 Q. Is that Maxine Stine?

2 A. Yes.

3 Q. Ms. Stine has been in that position since
4 approximately when?

5 A. 2006.

6 Q. Was there somebody in that position
7 before her?

8 A. Not from the time I was there from '04.
9 I don't know if there was someone previous to that or
10 not -- previous to '04.

11 Q. Does that mean there was somebody there
12 besides Ms. Stine in that position between '04 and
13 Ms. Stine's arrival?

14 A. No. No, there was not.

15 Q. Oh, there was not?

16 A. There was not.

17 Q. So Maxine Stine initiated the position,
18 if you will?

19 A. Yes.

20 Q. Who handled the tasks that she now
21 handles before she arrived?

22 A. I did.

23 Q. So you were kind of CEO and director of
24 education at the same time?

25 A. At that time between 2004 and 2006, I

1 worked as director of compliance. And I worked on the
2 campuses. The curriculum was already designed and
3 already there. So we just followed that curriculum.

4 But any questions or anything in the curriculum, it
5 was my job to ensure that it was correct, and that
6 kind of thing, as compliance director.

7 Q. And your job covered all the campuses; is
8 that right?

9 A. That's correct.

10 Q. Maybe it would help if you would explain
11 a little more what that term "compliance" meant in
12 your job description at that time.

13 A. Proprietary schools are heavily regulated
14 by state, your accrediting commissions, your US
15 Department of Education, and DA has regulations. They
16 all have regulations. And my job was to ensure that
17 we maintained what was required of our educational
18 settings in whatever capacity, and to stay updated --
19 as I do today -- on all the regulations and things
20 that come down. And I worked with the campus
21 directors. I worked out in the field quite a lot with
22 them in trying to put their policies and their
23 procedures together to comply with requirements.

24 Q. Did those requirements or regulations in
25 part pertain to the curriculum?

1 A. Yes, they do.

2 Q. Can you explain how so?

3 A. All curriculum has to be -- when
4 developed -- has to be approved through your
5 accrediting commission to meet the requirements of
6 that subject matter or program. So you can't
7 implement a program without first going through your
8 state. And then if it's an independent program such
9 as the nursing program would be, it would have to be
10 approved through the nursing program, and then it has
11 to be approved through your accrediting commission.
12 So you can't just write curriculum. You have approval
13 or areas that it has to go through, which includes
14 your syllabi and your lesson plans. And you start
15 that from advisory board on. Your advisory board has
16 to look at that curriculum to see if it meets the
17 needs of employers.

18 Q. Is the advisory board's involvement with
19 the development of curriculum, is that a step that
20 comes before or after submission to an accrediting
21 entity?

22 A. It comes before. It comes before,
23 because part of their information is sent with your
24 applications.

25 Q. The advisory board --

1 A. They have certain paperwork that they
2 fill out that goes with your application.

3 Q. So the advisory board fills out paperwork
4 that in part reflects some kind of analysis of the
5 proposed curriculum; is that right?

6 A. That's correct.

7 Q. And that's part of what goes with your
8 paperwork that's submitting -- submitted to the
9 accrediting agency for approval of the curriculum; is
10 that right?

11 A. That's correct.

12 Q. You started talking a little bit about
13 the level of detail that has to be in that submission
14 to the accrediting agency. Could you explain a little
15 bit more?

16 A. Let's see. You have to have -- I don't
17 know that I can remember it all, because it's quite --

18 MR. DEWITT: I'm just going to object to the
19 form. Do you have a specific question for the
20 witness? That was a pretty broad question.

21 MR. SCHLACTUS: The question did pertain to
22 curriculum. And is that what wasn't clear?

23 MR. DEWITT: The question was: Can you
24 explain a little bit more? I'm trying to understand
25 what --

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MR. SCHLACTUS: Sure. I'm happy to try and put a finer point on it.

MR. DEWITT: Thank you.

Q. Ms. Lake, you had indicated that syllabi and lesson plans need to be included in the submission. And what I'm asking you about is if you can explain in a little more detail exactly what needs to be in that submission that describes the curriculum?

A. The syllabi and the lesson plans. There is a lot of exhibit goes into that, and I can't remember everything that goes into it. It's quite a packet, probably as big as that.

Q. Which, for the record, is a pretty thick binder, 2 or 3 inches.

A. It's quite a packet that goes in.

Q. Can you give me some examples of other documents that have to go in pertaining to the curriculum?

A. Pertaining to the curriculum. Well, of course, it was the textbooks and things like that, that you're going to use which is on your syllabi. I'm sure there's other things in there, but I just -- I can't remember what they are.

Q. You referred to lesson plans a moment

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moment. The classes at RSHT are divided into modules; is that right?

A. Terms or modules.

Q. And each term or module lasts about five weeks; is that right?

A. Yes.

Q. And classes meet four days a week; is that right?

A. That's correct.

Q. So for a given class, it would meet approximately 20 times; is that right?

A. Yes.

Q. Now let me come back to the lesson plans. I understand if RSHT is changing the lesson plan in some respect with respect to one of those approximately 20 times that a class meets, you don't need to submit to it the accrediting entity for approval. That's what you said before, right?

A. You don't have to submit it to accreditation, but we rely on the instructors to follow the lesson plans that have been developed. And if instructional staff steps out of that, then that has to be talked with the director of education.

Q. How do you know if instructional staff steps out of that?

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before. Is that a class session by session description of what will go on in the classroom?

A. Yes.

Q. How often does a curriculum need to be submitted to an accrediting agency?

A. Only when there's changes once it's approved.

Q. So at the outset, and then if there are changes?

A. If there is anything that incorporates more than 25 percent of the change.

Q. How does one determine whether a change is more than 25 percent?

A. If your credit hours, or anything like that, changes more than 25 percent, then you have to get that approved.

Q. If there is a change with respect to one day's lesson plan, for example, does that need to be approved?

A. No.

Q. If there is a change with respect to the lesson plan for every class session for a class, does that need to be approved?

A. Would you repeat that?

Q. Sure. Well, let me step back for a

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A. We do instructor and classroom evaluations at the end of terms, and those are done privately, put in envelopes, and sent to our director of education to review. And if there are any issues in those, that's the time that a student -- they don't even have to sign their name. They can tell you if there is something the matter with the class. They can do whatever. And the director of education, if there's issues or something that does not line up the way it should have, will discuss it with the school director and the instructor involved.

Q. Do any staff sit in on classes at any point to help with those evaluations?

A. Sit in to help with the evaluations? I don't understand that question.

Q. Sure.

A. They're privately done.

Q. When you say they're privately done, are you referring to privately done by the students?

A. Yes.

Q. And what I'm asking is do any staff ever sit in on a class session to help the school assure that the instructor is following proper curriculum and plans?

A. I would hope not. The policy is the

1 reviews are given to the students at the end of their
2 term. The door is closed. They fill out the forms
3 and put them in a brown envelope at the desk, and they
4 are sealed when they leave the classroom.

5 Q. I'm not asking if anyone, you know, reads
6 those anonymous reviews. What I'm asking is --

7 A. If a staff member sits in there. They're
8 not supposed to --

9 MR. DEWITT: Let him finish the question.

10 Q. And I'm not asking if a staff member sits
11 in when those reviews are being filled out at the end
12 of the term or module.

13 What I'm asking is does a staff member
14 ever come in during a random class session, maybe the
15 tenth class session of the module, just sit in the
16 back to see if the instructor is or is not following
17 the curriculum as designed by the school?

18 A. Oh, that's the dean's job. The dean and
19 director of education are to review classes
20 periodically, yes.

21 Q. How often do they do that?

22 A. I don't know. We do have a policy
23 written on it, but I can't remember. I know within
24 their first term, they're in there within the first 90
25 days. They're in there I think a couple of times to

1 review the class sessions.

2 Q. When you say the first term, can you tell
3 me just what you're referring to?

4 A. When an instructor first starts.

5 Q. After those 90 days, does the dean or
6 director of education ever sit in on an instructor's
7 class?

8 A. Yes, they do.

9 Q. Is that pursuant to the policies that are
10 written somewhere?

11 A. Yes.

12 MR. SCHLACTUS: And Alex, I'm not sure I've
13 seen that policy. So if it hasn't been produced, we
14 would just request its production.

15 MR. DEWITT: This is a policy regarding --

16 MR. SCHLACTUS: It sounds like it's
17 regarding monitoring of instruction for consistency
18 with the curriculum.

19 MR. DEWITT: I can take a look at your
20 requests for production.

21 MR. SCHLACTUS: Well, we don't need to talk
22 about it now in the middle of the deposition. We can
23 talk about it --

24 MR. DEWITT: I know there's parameters of
25 what can be requested and produced. I just don't know

1 if that's something that fits.

2 MR. SCHLACTUS: Let's just flag it to talk
3 about it later.

4 MR. DEWITT: That's fine.

5 MR. SCHLACTUS: I'll look at the requests --
6 and I know you will as well -- and we'll figure that
7 out.

8 Q. You said the people who sit in for the
9 monitoring purpose would be the director of education
10 and the dean; is that right?

11 A. No. I said the director of nursing and
12 the deans.

13 Q. Okay. The deans are -- well, let me
14 start again. What is the dean position you're
15 referring to?

16 A. They are the coordinator of the allied
17 health programs. They oversee the courses, that
18 they're ran, their schedules are done, textbooks are
19 ordered, and things like that.

20 Q. What's the precise title of that
21 position?

22 A. Dean.

23 Q. It's not something like academic dean;
24 it's just dean?

25 A. It's academic dean.

1 Q. You referred to allied health a moment
2 ago. Allied health encompasses all programs except
3 nursing; is that right?

4 A. That's correct.

5 Q. Is the director of nursing the equivalent
6 of the academic dean for the nursing program?

7 A. That's correct.

8 Q. You described two processes for ensuring
9 compliance with the curriculum. One is the student
10 evaluations, and one is the academic dean or the
11 director of nursing monitoring actual classes. Are
12 there any others?

13 A. Not that I can recall. Those are the two
14 major policies used.

15 Q. Through those processes, has the school
16 ever determined that an instructor was deviating from
17 the curriculum?

18 A. Yes.

19 Q. How often has that happened?

20 A. I don't know, but it has happened.

21 Q. Do you have a sense of whether it's on
22 the order of one or two times, as opposed to 100
23 times?

24 A. No, I don't.

25 Q. No sense as between those extremes?

1 A. No.

2 Q. What kinds of deviations from the
3 established curriculum has RSHT identified through
4 those mechanisms?

5 A. Not following the curriculum outline that
6 was developed to be completed.

7 Q. What I'm trying to get a sense of is not
8 following in what respects?

9 A. I can't -- it would be detailed from the
10 curriculum -- you know, if they were to do such and
11 such, and they weren't doing that portion of the
12 training.

13 Q. What has RSHT done in those situations?

14 A. We have relieved the instructor of their
15 duties.

16 Q. Every time that's happened?

17 A. I don't know that it's happened every
18 time. We could have had a meeting and said this is
19 really what you're supposed to have done. This is
20 what you need to go in the classroom and do. Maybe
21 have had to correct it like that. Teacher had a
22 misunderstanding. Again, that falls under the
23 director of education's parameter.

24 Q. Can you identify any instructors who have
25 been relieved as a result of these deviations?

1 MR. DEWITT: I'm going to object to this
2 line of questioning at this point. I think it veers
3 from the parameters set forth in the initial pretrial
4 order. And I think it also is not listed in the
5 30(b)(6) deposition topics, unless you can show me
6 otherwise.

7 MR. SCHLACTUS: We do have a topic on the
8 academic programs.

9 MR. DEWITT: That's a very broad topic. To
10 the extent you're starting to get into the merits of
11 the claims, I think that goes beyond what Judge Gibney
12 is permitting under his order. And if you're going to
13 start asking about specific instances with specific
14 employees, I think that also goes beyond the sphere of
15 the initial pretrial order.

16 MR. SCHLACTUS: And I don't think so. I
17 don't think this gets into the merits. I think this
18 gets into the consistency of applications of the
19 curriculum. That's all I'm trying to understand, is
20 the consistency of application.

21 MR. DEWITT: Well, you just asked a question
22 about specific instances with specific employees. And
23 I think that's probably -- but that's the objection.

24 BY MR. SCHLACTUS:

25 Q. Let me ask the question a little more

1 generally. Do you know how many instances there have
2 been when someone has been dismissed because of
3 deviation from the curriculum?

4 A. No.

5 Q. Do you have a sense of whether it's on
6 the order of one instructor versus a hundred
7 instructors dismissed for that reason?

8 A. No.

9 Q. So to your understanding, it's equally
10 possible that a hundred instructors have been fired
11 for deviating from the curriculum as it is that only
12 one instructor has been fired for that purpose?

13 A. Again, I have no knowledge of how many
14 instructors may or may not have been let go because of
15 that.

16 Q. Does RSHT have to engage in any reporting
17 to an accredited entity when it learns about
18 deviations from the curriculum?

19 A. No.

20 Q. Has deviation been a substantial problem
21 that the school has had to deal with?

22 A. No.

23 Q. Am I correct in understanding that your
24 answer to the last question applies to all the
25 campuses?

1 A. Yes.

2 Q. You said that there's some situations
3 where the school has to submit a proposed change in
4 the curriculum to the accrediting entity; is that
5 right?

6 A. That's correct.

7 Q. How often does that happen?

8 A. Only when curriculum is updated.

9 Q. And how often has that happened at RSHT?

10 A. Oh, I don't know. I'd have to go back
11 through records to see substantive changes.

12 Q. Is that typically an annual occurrence?

13 A. No, not typically.

14 Q. Less frequently?

15 A. What?

16 Q. Is it less frequently than annual?

17 A. Yes.

18 Q. Has the school had to submit proposed
19 changes at one point or another for all of its
20 programs?

21 A. I would not encompass all of the
22 programs, but we have made changes periodically
23 throughout the years when things had to be added.

24 Q. Is that typically the reason things are
25 added, as opposed to subtracted or altered?

1 A. I don't understand what you're asking.
2 Q. What types of changes have led RSHT to
3 submit a revised curriculum?

4 A. Anything that we felt would enhance the
5 curriculum, whether it was replacing any class, or
6 adding a class or...

7 Q. Overall, is it fair to say that the
8 curricula for the different programs has stayed fairly
9 consistent over the years?

10 A. The base core of the curriculum, perhaps
11 it may be fair. But there have been changes within
12 the curriculums.

13 Q. When you say the base core, can you
14 explain what you mean by that?

15 A. Some things are an always, but some
16 things are not. And so, you update as your employers
17 tell you things are changing. And that's when updates
18 occur within your curriculum.

19 Q. When a curriculum is changed, is it
20 changed at all campuses at the same time?

21 A. Yes.

22 Q. How are those changes communicated to
23 instructors? Is there some kind of training? Is it
24 in paper? Is it some other method?

25 A. The director of education does it by

1 get the results?

2 A. Yes.

3 Q. And the accreditor didn't note any
4 deviations from the curriculum as written; is that
5 right?

6 A. That's correct.

7 Q. And that's the same with prior audits?

8 A. That's correct.

9 Q. I'm sorry, is "audit" the right word, or
10 "review?"

11 A. Well, it's intense. They're there for
12 more than a week; I think ten days. So it's -- you
13 can say audit or review. We call it reaffirmation.

14 Q. And the purpose is to get the entity to
15 reaffirm your six-year approval; is that right?

16 A. That's correct.

17 Q. And the school has always gotten that
18 reaffirmation?

19 A. Yes.

20 Q. I'm going to come back to some questions
21 about marketing, where we started before. With an
22 advertisement like the one in Exhibit 2 in the
23 Employment Guide, who decides to run an ad like that?

24 A. Actually, I work with the director of
25 marketing, and he and I are the ones that make the

1 meetings.

2 Q. In-person meetings?

3 A. Uh-huh (affirmative).

4 Q. Just to make sure I'm clear, those
5 meetings occur for the purpose of assuring consistency
6 with the curriculum as written; is that right?

7 A. That's correct.

8 Q. And it sounds like that's a pretty high
9 priority for the school; is that fair to say?

10 A. It is fair to say.

11 Q. The accrediting agencies do -- let me
12 start again. Do the accrediting agencies do some kind
13 of auditing of the school over the years?

14 A. Yes.

15 Q. Have they ever determined that there was
16 a lack of compliance with the curriculum as written
17 and approved?

18 A. No.

19 Q. How often do they do those kinds of
20 audits?

21 A. We have a major audit -- in fact, we just
22 had one at the end of last year. It depends. We've
23 always had a six-year approval. We just had our
24 six-year review again last year.

25 Q. And is that process complete? Did you

1 decisions on the advertising.

2 Q. Who is the director of marketing?

3 A. Dr. Calvin Brown.

4 Q. Is he the director of marketing for all
5 of RSHT, or is his position campus-specific?

6 A. It's corporate-specific.

7 Q. Corporate-specific?

8 A. (Indicating in the affirmative).

9 Q. And has that always been the case with a
10 person in that position?

11 A. That they were corporate level?

12 Q. Yes.

13 A. Yes.

14 Q. Have there been people at the individual
15 campuses with marketing responsibilities?

16 A. No. Marketing has to be approved through
17 the director of marketing. They must notify him of
18 anything that they want to do or put in.

19 Q. Do you know how many different people
20 have held that position at RSHT?

21 A. Dr. Brown has been with me most of the --
22 I've had one other before Dr. -- or a time when
23 Dr. Brown was out, I had another lady who was in --

24 Q. Is that Arlene Manley-Harrington?

25 A. Yes.

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1 Q. Ms. Harrington -- or
2 Ms. Manley-Harrington was just filling in for a short
3 period for Dr. Brown; is that right?

4 A. No. She was -- Dr. Brown was -- he had
5 stepped away from that position, and was working at
6 the campus in career services. And she covered that
7 position for probably a couple of years, and then he
8 came back into the position.

9 Q. Did the nature of the position or the
10 responsibilities of the position change when it was
11 held by two different people?

12 A. Not really. It's been the way it's been.

13 Q. You said Dr. Brown was there when you
14 started in '04?

15 A. No.

16 Q. I'm sorry. Explain.

17 A. He came, I think, toward the end of '06.

18 Q. When you became CEO?

19 A. Yeah, sometime after that point he came
20 on board.

21 Q. Did that position exist prior to him
22 taking it on?

23 A. Oh, yeah. There was a lady there. In
24 2004, there was a lady that was hired. Her name was
25 Wendy Mueller.

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1 COURT REPORTER: What was the last name?

2 A. Mueller, M-U-E-L-L-E-R, I think.

3 Q. I'm sorry, could you spell it again?

4 A. I think it's M-U-E-L-L-E-R or E-U-R. I'm
5 really not sure. It's Mueller.

6 Q. Did you say her first name was Wendy?

7 A. Wendy. Uh-huh (affirmative).

8 Q. Was Ms. Mueller there in that position
9 when you started?

10 A. No. She came on a few months after I was
11 there. She was hired by Mr. White.

12 Q. Was Mr. White your predecessor as CEO?

13 A. Yes, he was.

14 Q. Was the position a new one when
15 Ms. Mueller assumed it?

16 A. I don't know. I don't know if there had
17 ever been anyone there or not. To the best of my
18 knowledge, there wasn't.

19 Q. It sounds like at least starting with
20 Mr. -- Ms. Mueller assuming that position, marketing
21 decisions have been made at the corporate level; is
22 that fair to say?

23 A. That's correct.

24 Q. Whether or not the position existed
25 before Ms. Mueller, were marketing decisions also made

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1 at the corporate level before she assumed those
2 duties?

3 A. I'm going to assume so, because she came
4 shortly after I was there, and I'm sure that the
5 corporate is people who approved -- or whatever they
6 felt, that that's what it started from.

7 (Exhibit Number 4 was marked for
8 identification).

9 MR. DEWITT: Can we go off the record.

10 (Off-the-record discussion).

11 BY MR. SCHLACTUS:

12 Q. Ms. Lake, I'm showing you a two-page
13 exhibit marked Exhibit Number 4. For the record,
14 Bates number is RSHT31187 through 31188. Please let
15 me know when you've had a moment to look at that.

16 A. (Witness reviewing document).

17 All right.

18 Q. Is this the job description for the
19 position that you've been discussing?

20 A. Yes.

21 Q. Now held by Dr. Brown?

22 A. Yes, it is.

23 Q. Is it Dr. Brown or Mr. Brown?

24 A. It's Dr. Brown.

25 Q. I thought so. There's no date on this

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1 document. Is this the current description?

2 A. Yes, it is. I believe so.

3 Q. Has the description for this position
4 changed in any significant way over time?

5 A. I'm unsure. We could have added or
6 deleted something, but I don't remember.

7 Q. Have there been any large-scale changes
8 to it?

9 A. Probably not. Pretty much what was here
10 when I came.

11 Q. You said before that the director of
12 marketing and public relations would be responsible
13 for placing an ad like the one shown in Exhibit 2; is
14 that right?

15 A. That's correct.

16 Q. Did you say that's in conjunction with
17 you as CEO?

18 A. Yes.

19 Q. Who do you or the director of marketing
20 work with to develop the actual content of a print ad?

21 A. Just the actual people from Employment
22 Guide or the people from the TV station or whatever,
23 account representative.

24 Q. There is nobody else at RSHT who does
25 something like artwork, for example, for an ad?

11 (Pages 41 to 44)

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1 A. No. Only Dr. Brown.

2 Q. And is the same true for radio and
3 television spots?

4 A. That's correct.

5 Q. Are there other types of advertising
6 beyond print, radio, and television that RSHT engages
7 in?

8 A. We do some of the local papers. It's all
9 listed on the advertising thing that we gave you. I
10 don't remember everything that's down there.

11 Q. When you refer to "local papers," are you
12 referring to other places where you place print ads?

13 A. Yes.

14 Q. And there's some Internet advertising
15 which --

16 A. Oh, yes.

17 Q. -- although that would be sort of a
18 version of print advertising, just in a different
19 medium; is that fair to say?

20 A. Yes.

21 Q. You mentioned working with the actual
22 paper, TV station, or radio station; is that right?

23 A. Yes.

24 Q. Are there other third parties that help
25 you with any of this work, such as an advertising

Page 46

1 agency?

2 A. No.

3 Q. For something like a radio ad or a TV ad,
4 how do you determine what station and what times an ad
5 is going to run?

6 A. Well, we haven't done a lot of radio, but
7 usually it's under a package deal, or something that
8 we've bought. And the time slots we can't -- we don't
9 select those.

10 Q. Does the station --

11 A. The radio. Uh-huh (affirmative). For
12 radio, we don't select time slots.

13 Q. You do select stations, though?

14 A. If it's -- yeah, we have done some radio,
15 which is listed on that. Arlene did that when she was
16 here. We did some radio.

17 COURT REPORTER: Please keep your voice up.

18 A. I'm sorry. Arlene did that when she was
19 here. When she was at the campus, she did some radio.

20 Q. Let me just ask you about television for
21 the moment. How do you decide what television
22 stations to advertise on?

23 A. I'm laughing because we've always used
24 the same ones. I mean, we just don't sit down and
25 say, We're going to do this and this. The same ones

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1 -- you'll see our marketing report -- we've used the
2 same ones since forever. They were the ones that were
3 being used when I came here, and we just continued it.

4 Q. How were they selected in the first
5 place?

6 A. I have no idea. I have no idea. But
7 they're there, and we just -- you know, we just use
8 them. It covers the entire Richmond vicinity and all
9 around where our schools would have been. It just
10 covered -- we don't select any particular area. It's
11 just open advertising on TV.

12 Q. And that was -- you're getting at one of
13 my questions, which is in picking up stations or
14 picking a package at a station, does the station give
15 you any information about what geographical market the
16 ad is going to run in?

17 A. No. We don't select that at all. Uh-uh
18 (negative).

19 Q. You said you've been using the same
20 television station since you got there. Do you know
21 who has initially identified those stations?

22 A. No.

23 Q. Was Fox added as a new television station
24 at some point in the last few years?

25 A. It could have been. We've done Fox for a

Page 48

1 long time. So I can't tell you if it was done prior
2 to my being there or not. But we've had Fox for a
3 long time.

4 Q. Did you say that you essentially buy a
5 package from the TV station?

6 A. No. I didn't say that.

7 Q. Did you make some reference to a package
8 of -- well, let me start again. You said you don't
9 identify specific shows that your ad runs on; is that
10 right?

11 A. You asked me about radio. And I said we
12 have done some radio, but we can pick time slots.
13 I've never been involved in picking time slots.

14 Q. Okay. I'm asking about RSHT, not just
15 you. That's clear, right?

16 A. Yeah.

17 Q. So let me focus on -- continue to focus
18 on television. And I appreciate you pointing out the
19 distinction in your prior answer. What is it that you
20 buy from a TV station for your advertising?

21 A. I don't understand the question.

22 Q. Well, you pay the TV station a certain
23 amount of money, right?

24 A. Okay.

25 Q. What do you get in exchange?

12 (Pages 45 to 48)

1 A. The showing of our advertising.
 2 Q. Who decides just when the ad is going to
 3 be shown on that particular station?
 4 A. Dr. Brown will talk with the advertiser.
 5 Q. What kind of criteria does Dr. Brown use
 6 or have access to in making those decisions?
 7 A. He does not have a criteria. Once the ad
 8 is shown to me, and I approve the ad and the writeup
 9 and whatever is in the ad, Dr. Brown has -- he will
 10 select the stations.
 11 Q. Does -- I'm sorry. Please continue.
 12 A. But the budget that you're seeing, we go
 13 over that on a quarterly basis. He gives me that each
 14 quarter, and I approve his selections of where he's
 15 going to advertise for that quarter.
 16 Q. Let's just work with Fox as an example.
 17 If Dr. Brown is running advertising on Fox --
 18 television advertising -- who determines just when the
 19 advertisement is aired on Fox?
 20 A. Dr. Brown.
 21 Q. Does he determine with the level of
 22 specificity of date, time, and show on which it airs?
 23 A. I can't tell you that for sure.
 24 Q. Does the television station give RSHT
 25 information about -- demographic information about the

1 audience reached at different times and through
 2 different shows?
 3 A. I can't tell you that. I have not seen
 4 it.
 5 Q. So you don't know, but Dr. Brown would?
 6 A. Dr. Brown would.
 7 Q. How does Dr. Brown decide whether to have
 8 Fox, for example, run an ad on a Monday night as
 9 opposed to a Tuesday night or a Thursday morning?
 10 A. Well, with the campus hours and the
 11 schedule of campus hours, he pretty much has the
 12 advertising run to correlate with someone being on
 13 campus to take the lead call when it comes in. And
 14 he's probably -- in logic, I'm going to say he's going
 15 to do something in the evening -- for the evening
 16 representatives, and he'll do something in the morning
 17 time, and probably around the noon schedule. That's
 18 pretty much a logic layout.
 19 Q. The phone numbers are given to ads,
 20 right?
 21 A. Yes. Uh-huh (affirmative).
 22 Q. And one of the goals of the ads is to
 23 generate immediate calls from viewers; is that right?
 24 A. That's correct.
 25 Q. So you're saying somebody needs to be

1 there to answer those calls?
 2 A. Yes, they do.
 3 Q. So I take it a 2 a.m. ad would not be
 4 very effective?
 5 A. Probably not. We may have done it, but I
 6 don't think it would have been too effective.
 7 Q. And that's not the school's motive?
 8 A. No.
 9 Q. So that's an explanation of a choice of
 10 time slots to some degree. What about days of the
 11 week. How does Dr. Brown determine what days to have
 12 that ad run?
 13 A. I don't believe we would run anything on
 14 Fridays, you know. We would do it while schools are
 15 in session so that anyone coming in would be able to
 16 see the classrooms and things like that, teachers.
 17 Q. What would the problem be with a Friday?
 18 Couldn't somebody call and arrange to come in the next
 19 week?
 20 A. Sure.
 21 Q. Then why don't you want the ads running
 22 on Fridays?
 23 A. I didn't say I didn't want them run on
 24 Fridays. I said that I felt the logic would be
 25 through the week when the classes are running.

1 Q. If somebody calls and responds to an ad,
 2 who do they reach?
 3 A. It goes to the receptionist at the front
 4 desk.
 5 Q. Front desk at which location?
 6 A. Whichever school would have been called.
 7 Now that we only have one school, it goes to the front
 8 desk at the school.
 9 Q. Historically when there have been two
 10 schools, or at one point even three operating at the
 11 same time, would multiple phone numbers from multiple
 12 campuses be given any advertising?
 13 A. Yes.
 14 Q. You said it would then go to the
 15 receptionist at that campus; is that right?
 16 A. That's correct.
 17 Q. And from there?
 18 A. To the admissions representative.
 19 Q. And following up on what you said before,
 20 is one of the goals of the admissions representative
 21 in that call to schedule a time for the person to come
 22 in and visit the campus?
 23 A. That's correct.
 24 Q. Is the admission representative's goal to
 25 get that person to come in and visit the next day?

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1 A. Yes.

2 Q. Can you explain the nature of that
3 advertising?

4 A. Yeah. When we went onto Monster, it
5 was -- we tried it out.

6 MR. DEWITT: Carolyn, when you talk, speak
7 up a little bit, because she's trying to type
8 everything down.

9 Q. Over in the right-hand column on that
10 entry it refers to a 90-day trial basis only; do you
11 see that?

12 A. Yes.

13 Q. And it says, "Focus on ZIPs."

14 A. Uh-huh (affirmative).

15 Q. After then it says, "Puff Chester ZIPs
16 and near Richmond."

17 A. Yes.

18 Q. What does "Puff" mean?

19 A. The Chester campus, it just means to
20 select the ZIP codes that are close to our campus or
21 around our campus area.

22 Q. So, but when it says --

23 A. With that you had to select ZIP codes.
24 So he selected the ones around close to our campus and
25 around the Richmond campus.

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1 Q. So where it says "Chester" and where it
2 says "Richmond," those are references to campuses as
3 opposed to cities?

4 A. Yes.

5 Q. If you go up above, do you see where it
6 says, "CW/UPN65?"

7 A. Yes.

8 Q. And then over in the right it gives
9 certain dates and times; do you see that?

10 A. Yes.

11 Q. There's a reference in there to "float
12 Judges 1-divorce;" do you see that?

13 A. Yes.

14 Q. What does that mean?

15 A. That's the programs, I think, that they
16 will be shown on.

17 Q. And what are those programs? Is that
18 shorthand for a program title?

19 A. Probably. That would be the 5 to 6
20 o'clock slot in the evening that they would be shown
21 on. And I think that's the judge shows. Now I think
22 it's something else, but at that time it was probably
23 the judge shows.

24 Q. And does this mean that the director of
25 marketing specifically selected those shows to run

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1 advertising?

2 A. No. It means that we selected maybe the
3 time slots, and those are the programs that were in
4 that time slot.

5 Q. In that same box it says, "FEB-Black
6 History, 40 spots."

7 A. Uh-huh (affirmative).

8 Q. What is that a reference to?

9 A. That is Black History month. That's what
10 it refers to.

11 Q. So does that mean that certain spots are
12 being selected on certain programs related to Black
13 History month? I'm just trying to understand what
14 that shorthand means.

15 A. No. I think we did a banner that
16 supported Black History month for -- you know, because
17 we do -- we probably did a banner. I'm not sure if it
18 was a banner ad for Black History month.

19 Q. A banner ad meaning something that runs
20 across the screen during a different program?

21 A. Or just a spot flash to support Black
22 History month.

23 Q. And it would say "RSHT" on it, right?

24 A. Yes.

25 Q. 40 spots, is that a big number or a small

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1 number in the context of RSHT?

2 A. No. That's why I know it had to be just
3 a flashing spot. It was probably a very short thing.

4 Q. And why did RSHT want to advertise in
5 connection with Black History month?

6 A. Well, probably working with the station
7 as long as we have, we just supported their Black
8 History month history, things that they do.

9 Q. Was there a determination that that was
10 a -- would be a productive marketing effort in
11 generating leads?

12 A. No, not particularly. Uh-huh (negative).

13 Q. I guess this was Dr. Brown. Did
14 Dr. Brown talk to you about whether or not it made
15 sense to run advertising in connection with Black
16 History month?

17 A. I'm sure he informed me of it.

18 Q. Do you remember anything about that
19 discussion?

20 A. No.

21 Q. The television spots that RSHT runs, are
22 they generally pretty similar from station to station?

23 A. Would you repeat the question? I think I
24 lost it.

25 Q. Sure. RSHT runs television ads on

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1 various stations, right?
 2 A. Yeah.
 3 Q. Are the ads similar on different
 4 stations?
 5 A. The ad itself?
 6 Q. The ad itself.
 7 A. Oh, yeah, we use the same one.
 8 Q. And has the ad you used been pretty
 9 consistent over the years?
 10 A. Yes.
 11 Q. How was that ad developed in the first
 12 place?
 13 A. CJW filmed it for us, I believe. Or
 14 maybe it was Channel 6 filmed it for us. They just
 15 came in and filmed it for us, made it for us. I can't
 16 remember. It might have been Channel 6 that did it.
 17 One of the channels came and filmed it for us.
 18 Q. And around when was that?
 19 A. I think we've only done two ads since
 20 I've been there. So pretty much the base ad, that one
 21 ad I think we've been using forever, several years. I
 22 think in maybe '9 or '10 we might have -- we did the
 23 newer one that we see, that one with the surg tech and
 24 nursing.
 25 Q. And when you said "surg tech," you mean

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1 the surgical technology program?
 2 A. Yes.
 3 Q. And do those two now run simultaneously,
 4 or did you change from the older one to the newer one?
 5 A. I think we just changed from the older
 6 one to the newer one. We only have one ad that we
 7 run.
 8 Q. Does the new one differ much from the
 9 older one?
 10 A. No.
 11 Q. The basic content and the message that's
 12 communicated is the same?
 13 A. Yeah.
 14 Q. How long has RSHT been advertising on TV;
 15 do you know?
 16 A. They were there when I came.
 17 Q. And the first ad you were describing
 18 filmed by Channel 6 is the one that was running when
 19 you came?
 20 A. Yes.
 21 Q. Do you know if there were any earlier
 22 versions?
 23 A. I think that's the only one they had.
 24 Q. Radio spots, as far as you know, it's
 25 only been 106.5?

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1 A. Yes.
 2 Q. And who did the -- who put together the
 3 radio ad?
 4 A. I believe Arlene did it, because that's
 5 the first time we ever had radio advertising was when
 6 Arlene was here, I think, if I remember correctly.
 7 Q. And there were some different iterations
 8 of the radio ad; is that right?
 9 A. I think there was one with a male voice
 10 and one with a female voice.
 11 Q. But otherwise really the same thing?
 12 A. Really the same thing.
 13 Q. Are you aware of any radio advertising
 14 before what Arlene put together?
 15 A. Not that I can remember.
 16 MR. SCHLACTUS: Number 7.
 17 (Exhibit Number 7 was marked for
 18 identification).
 19 Q. Ms. Lake, I'm showing you Exhibit Number
 20 7. This is similar to 5 and 6, but this covers
 21 quarters from 2007. Let me know when you've had a
 22 moment to look at that.
 23 A. (Witness reviewing document).
 24 Okay.
 25 Q. Do you see at the top where it says,

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1 "First Quarter Budget 2007-Chester" on the first page?
 2 A. Yes.
 3 Q. If you turn to the second page, do you
 4 see where it says, "First Quarter Budget
 5 2007-Richmond?"
 6 A. Yes. Uh-huh (affirmative).
 7 Q. And if you turn to the third page, do you
 8 see how it says, "RSHT Corporate Proposed First
 9 Quarter Budget 2007," and does not reference either
 10 campus?
 11 A. Yes.
 12 Q. Could you explain to me how these three
 13 pages relate to each other?
 14 A. Yes. At that time we didn't have a
 15 director of marketing. So the two campus directors
 16 worked with me. Dr. Brown was a campus director at
 17 that time. And they worked with me. So each of them
 18 would do a proposed budget, and then it would be sent
 19 to me. And then I would either approve or disapprove.
 20 Q. Try and keep your voice up, please.
 21 A. I'm sorry.
 22 Q. I know it's a natural tendency, but if
 23 you could do your best.
 24 A. I'm not a loud speaker, I guess.
 25 Q. So does the third page typically combine

1 the numbers from the first two pages?

2 A. Probably so. Yes, they do.

3 Q. And who is this Brett Siclair, whose name
4 is on the bottom left of the second page?

5 A. He was the school director in Richmond.

6 Q. And Calvin Brown at the time was the
7 school director in Chester?

8 A. Yes, he was.

9 Q. At that point could Dr. Brown or
10 Mr. Siclair run these ads without corporate approval?

11 A. No, they could not.

12 Q. Does the division of some numbers for
13 Chester, some numbers for Richmond indicate that each
14 is, upon approval, running separate advertising?

15 A. No. It would have been divided up for
16 their cost.

17 Q. So it's just an apportionment of cost as
18 opposed to different advertising?

19 A. Yes.

20 Q. Okay. And on what basis would cost be
21 apportioned?

22 A. I'm trying to remember what we did back
23 then. We pretty much equaled the cost between them,
24 unless they were doing something that was specific to
25 their surrounding area.

1 Q. And would specific to their surrounding
2 area be something like the billboard across from the
3 Chester campus?

4 A. Yes.

5 Q. Okay. Any other examples you can think
6 of where the cost might not be divided 50/50, besides
7 that billboard?

8 A. Not offhand, no.

9 Q. And although I didn't observe much
10 differentiation from 50/50, does that sound right to
11 you?

12 A. That's correct.

13 Q. And the advertising has been designed to
14 generate interest in all the campuses opening at a
15 given time; is that right?

16 A. Repeat that.

17 Q. Sure. The advertising has been designed
18 to generate interest in not just one particular
19 campus, but all the campuses that are open when the ad
20 is running; is that fair to say?

21 A. The advertisements have been created to
22 inform the public that we're there.

23 Q. And is that without distinction for
24 campus? What I'm really asking: Has it really been
25 designed to drive interest and awareness of RSHT as

1 opposed to --

2 A. Yes.

3 Q. -- one particular campus?

4 A. That's correct.

5 Q. Okay. It has been designed to drive
6 interest in RSHT as a whole?

7 A. That's correct.

8 Q. Okay. If you look on the third page of
9 this document, you see on the third and fourth line
10 for CW and WTR, over on the right do you see there are
11 references to days rotate and specific times?

12 A. Yes.

13 Q. Is that, again, an example of something
14 that the director of marketing would work out with the
15 television station?

16 A. At that time the schools, once the budget
17 was -- we didn't have a director of marketing. So
18 either I would have, Mr. Siclair, or Dr. Brown. And
19 usually it was Dr. Brown.

20 Q. And he's the one who would know why
21 specific time slots and dates were selected?

22 A. Well, again, you know, the time slots,
23 yes, he would have.

24 Q. And you sitting here today don't know why
25 he would select, for example, the 6 to 8 p.m., as

1 opposed to the 5 to 7 p.m.; is that fair to say?

2 A. Yes.

3 Q. And the reason is?

4 A. That that's actually from the time people
5 get home from work so they can see TV.

6 Q. For CW it says 9 a.m. to 3 p.m., and for
7 WTR it says 9 to 11 a.m. Why would RSHT pick 9 to 3
8 on one station, but 9 to 11 on the other?

9 A. Because if you note, the comment also
10 says that they're working on p.m. spots, but they
11 didn't have any available.

12 Q. That comment doesn't cover 11 to 12,
13 right?

14 A. No, it doesn't. But what I'm saying is
15 we wanted to go into the p.m. spots, and there weren't
16 anything available.

17 Q. If you come down a little further on the
18 left do you see where it says, "BET/Lifetime Comcast
19 Cable?"

20 A. Yes, I see it.

21 Q. BET and Lifetime are two different cable
22 channels, right?

23 A. Yes.

24 Q. Why are they on the same line?

25 A. Well, that's just cable TV advertising,

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1 using it or not. It's all on there. Then if we have
2 used it, you're going to see that there's a cost
3 factor beside it, that -- and then -- of how many
4 leads we may have gotten off of that source, and how
5 many enrollments came off of that source.

6 Q. And you have just been describing the top
7 table on the sheet, right?

8 A. Yes.

9 Q. And can you describe or explain the
10 bottom table?

11 A. Yes. The leads, that's the total leads
12 for whatever period of time that is. We do it from
13 January to December, and then how many people actually
14 came into the school and interviewed, and how many --
15 what percentage that was against the lead flow. The
16 next thing is how many interviews were actually given.
17 The first one is how many were scheduled. The next
18 one is how many were actually given, and then how many
19 enrollments totally came off of that amount of leads,
20 and how many starts we have had to that point for that
21 year.

22 Q. And this bottom portion is cumulative for
23 year to date?

24 A. Yes.

25 Q. Whereas the top portion is just for the

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1 one week identified?

2 A. Yes.

3 Q. And do you get these reports every week?

4 A. Yes, I do.

5 Q. How long have you been getting them?

6 A. Oh, I think we started this report -- I
7 can't remember when we started this report. It's been
8 running two or three years or more.

9 Q. What do you use this for?

10 A. To see our lead flow, and to look at it
11 and see that we're getting some leads in.

12 Q. Have you used this kind of information to
13 determine whether you should discontinue advertising
14 in a particular outlet?

15 A. Again, I'm going to repeat that most of
16 our advertising is the same all the time. We rarely
17 change it unless it's just to add something. We've
18 rarely changed it. And, you know, if I saw -- if I
19 saw that we had spent \$2,000 on something in here --
20 and I'm sure someplace through here we've spent it and
21 we have decreased it, because there wasn't anything of
22 value coming from it. No one was calling.

23 MR. SCHLACTUS: And Alex, what I saw was the
24 production just for 2010 up to this one being the
25 latest.

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1 MR. DEWITT: Okay.

2 MR. SCHLACTUS: I didn't see anything
3 earlier since.

4 THE WITNESS: That might be about right.

5 MR. DEWITT: So just tell me what -- I don't
6 know offhand what years.

7 MR. SCHLACTUS: Yeah, we just saw this
8 document -- versions of this document covering January
9 2010 through June 24th, 2010. It sounds like you may
10 have been using it more than that.

11 THE WITNESS: No. We've only been --
12 Dr. Brown and I have been using it about a couple of
13 years.

14 MR. SCHLACTUS: Are you still using it?

15 THE WITNESS: Uh-huh (affirmative). We
16 still use it. You should have it. Whatever you've
17 got is up to whatever date we sent it.

18 MR. DEWITT: The production -- just so I'm
19 clear, you have January 2010 to June 24, 2010. You
20 have nothing for the balance of 2010, nothing for
21 2011, nothing for 2012?

22 MR. SCHLACTUS: That's all I've seen.
23 Correct.

24 THE WITNESS: Wait a minute. What?

25 MR. DEWITT: He's saying he only has the

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1 sheet --

2 THE WITNESS: This one sheet.

3 MR. DEWITT: No. He's saying for January
4 2010 through June 24 of 2010, for that six-month
5 period. He doesn't have anything after --

6 THE WITNESS: No. You should have had --

7 MR. SCHLACTUS: This is the latest one I've
8 seen. We can go back and double check.

9 THE WITNESS: No, because, I mean, we would
10 have given all that we had, Alex, and I don't know if
11 it didn't come off on the disk or not. I'll go back
12 and look, because we do have them. We do have them.

13 MR. SCHLACTUS: And I'll go back and look as
14 well, and make sure I'm right.

15 MR. DEWITT: I'm just making a list as we
16 go, to the extent we need to supplement.

17 THE WITNESS: Because we would have any from
18 the time we started them. I still get them every
19 week.

20 MR. DEWITT: We'll look both before January
21 2010 and then after June 24, 2010.

22 MR. SCHLACTUS: Okay. Thank you.

23 (Exhibit Number 9 was marked for
24 identification).

25 Q. I'm showing you a one-page document

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1 A. Just to let the leads who have called in
2 know that we're starting a fall class.

3 (Exhibit Number 12 was marked for
4 identification).

5 Q. Exhibit Number 12, Bates number
6 RSHT0010727. If you could let me know when you've had
7 a chance to look at that.

8 A. Okay.

9 Q. This is another Employment Guide ad like
10 the one we looked at earlier; is that right?

11 A. That's correct.

12 Q. This says "EmploymentGuide.com," but is
13 this still a printed publication at this point?

14 A. Yes, it was still printed at this time.

15 Q. Okay. Is this another example of a
16 fairly typical RSHT printout?

17 A. Yes.

18 Q. I know we talked about radio and
19 television spots not having substantial variation. Is
20 the same true of print ads?

21 A. Would you clarify that a little more?

22 Q. Sure. In reviewing the many examples of
23 print ads that you produced, it looked like they do
24 change from ad to ad somewhat, but that the basic
25 point of them stays consistent; is that a fair

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1 statement?

2 A. Yes.

3 Q. And the basic point is -- well, one of
4 the basic points is to communicate to people about
5 RSHT's programs; is that right?

6 A. That's correct.

7 Q. Another basic point is to communicate its
8 location; is that fair to say?

9 A. That's correct.

10 Q. What other basic points are accomplished
11 through the print advertisement, if any?

12 A. The programs available.

13 Q. Sometimes the ads highlight a certain
14 program such as this one, and sometimes it looked like
15 they highlight all the programs; is that accurate?

16 A. That's accurate.

17 Q. Why is one approach taken sometimes and a
18 different approach in others?

19 A. The program of study, maybe the one that
20 we're enrolling in at that time, if it's a specific
21 program.

22 Q. Okay. So it might correlate to what you
23 actually have openings in?

24 A. Uh-huh (affirmative).

25 MR. DEWITT: You have to say yes.

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1 A. Yes. I'm sorry. I think I'm getting
2 tired.

3 MR. DEWITT: I think we're getting close to
4 lunch.

5 MR. SCHLACTUS: Go off the record for a
6 second.

7 (Off-the-record discussion).

8 BY MR. SCHLACTUS:

9 Q. This ad in Number 12 under the Richmond
10 campus says, "bus stops on campus." Do you see that?

11 A. Yes.

12 Q. And that's pretty standard in the print
13 advertising, right?

14 A. Yes.

15 Q. Okay. And why is that a standard part of
16 the advertisement?

17 A. Because the -- a lot of people don't want
18 to drive today. And if there's a bus available,
19 they'll take it, even though we had very few that did.

20 Q. And you have plenty of parking there at
21 the Richmond campus, right?

22 A. Yes. It was in a mall.

23 Q. There's no line like that under the
24 Chester address. Why is that?

25 A. The bus doesn't stop there.

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1 (Exhibit Number 13 was marked for
2 identification).

3 Q. I'm showing you a two-page exhibit marked
4 Number 13 with Bates number RSHT0010725 through
5 RSHT001726. If you can let me know when you've had a
6 chance to look at that.

7 A. (Witness reviewing document).

8 Okay.

9 Q. What is this?

10 A. It's a flier that if someone called in
11 and wanted information, that we mailed it to them.

12 Q. So it basically gets folded up into
13 thirds and put in the mail?

14 A. Yeah, it was a tri-folder when we had it.

15 Q. Is this mailed out for any other
16 purposes?

17 A. No. Uh-uh (negative). Just for requests
18 of information.

19 Q. This covers both campuses, right?

20 A. Yes, it did.

21 Q. So this would be mailed out -- the same
22 document would be mailed out regardless of which
23 campus somebody was inquiring about?

24 A. That's correct.

25 (Exhibit Number 14 was marked for

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1 A. I believe it is. I think so, just
2 because of the way it's dated.

3 Q. And did you say each campus maintains its
4 own leads base, meaning each campus has its own
5 Admissions Plus file?

6 A. Yes.

7 Q. With basically the whole history of leads
8 since you've been collecting them?

9 A. Yes.

10 Q. Now that I understand the distinction
11 between the two, I'll have to go back and see if the
12 Admissions Plus has been produced.

13 A. They're all put into one network.

14 MR. DEWITT: Okay. He can ask you about
15 that.

16 Q. All of the information is put into one
17 network; did you say?

18 A. Yeah, Admissions Plus. Particularly when
19 we did our transfer of campuses, everything went into
20 one master database.

21 Q. Okay. Because it's one campus now; is
22 that right?

23 A. Because it's one campus.

24 Q. Okay. But previously it was maintained
25 as two separate files?

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1 A. You know, since everything downloads to
2 our main network, I believe it would have still been
3 in our main network.

4 Q. In maybe one file, but there's something
5 technical on there?

6 A. That's our network person who has that
7 knowledge like that.

8 Q. So it may be one file?

9 A. Yeah.

10 Q. With a code that distinguishes which
11 campus?

12 A. Right.

13 MR. SCHLACTUS: And Alex, I think we have
14 just gotten -- although I'll double check so I
15 understand the distinction between the two files --
16 but I think we have just gotten day-by-day or
17 week-by-week files, as opposed to the collective
18 admissions file. We would ask for the admissions file
19 data where everything is in one place.

20 THE WITNESS: That's it.

21 MR. SCHLACTUS: And we can --

22 MR. DEWITT: My impression is that we
23 produced -- you've got the information in front of
24 you. It's been produced to you. You're saying --

25 MR. SCHLACTUS: It sounds like you may have

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1 it in one place that is more easily analyzed than in a
2 whole bunch of different files. And that's the only
3 reason I'm asking about it. And we can talk about it
4 more.

5 MR. DEWITT: I thought we had produced
6 everything, but we can check and see if there's
7 some --

8 THE WITNESS: We did. They've got the
9 entire leads base.

10 MR. DEWITT: Okay. I'm told that you have
11 the entire leads base, but you're talking about maybe
12 like in a different format?

13 MR. SCHLACTUS: It may be just a question of
14 format, an equally usable format as you have it in.

15 MR. DEWITT: I'll make a note here.

16 BY MR. SCHLACTUS:

17 Q. Who is responsible for that second step
18 of taking the data recorded from the call logs and
19 entering it into the leads base?

20 A. To the best of my knowledge, the
21 receptionist still puts the initial information in,
22 but then the admissions person will have it on her
23 system so that when she talks with them, she'll have
24 the information.

25 Q. The admissions person will have access,

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1 but the receptionist who input the information with
2 the call logs would be the same person who puts it
3 into the leads base?

4 A. Yes.

5 Q. Okay. I see. Except for a notation such
6 as "old lead," is it the same information that gets
7 put into both?

8 A. Yes.

9 Q. When a person calls RSHT, does that --

10 I'm sorry. When a person calls a number from an RSHT
11 advertisement, who is that call routed to?

12 A. It goes to the receptionist first at the
13 front desk.

14 Q. Receptionist at that campus?

15 A. Yes.

16 Q. And what does that person do with the
17 call?

18 A. She has a specific phone script that she
19 collects the data and passes it to admissions.

20 (Exhibit Number 18 was marked for
21 identification).

22 Q. I'm showing you Exhibit Number 18, a
23 one-page document with Bates number RSHT0018760.
24 Please let me know when you've had a chance to look at
25 that.

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1 A. (Witness reviewing document).
 2 Okay.
 3 Q. Is this the script you were just
 4 referring to?
 5 A. Yes.
 6 Q. Is this script used at the Chester
 7 campus?
 8 A. Yes.
 9 Q. Was the same one used at the Richmond
 10 campus?
 11 A. Yes.
 12 Q. Do you know if it was used at the
 13 Charlottesville campus?
 14 A. No, I don't.
 15 Q. Okay. Who wrote this script?
 16 A. It actually -- I'm not sure of the total
 17 origination of the script.
 18 Q. How long has it been in use?
 19 A. I don't know.
 20 Q. Was it in use when you became CEO?
 21 A. I think so.
 22 Q. Has this script remained constant over
 23 the time it's been in use?
 24 A. Yeah. The -- yes.
 25 Q. In roughly the middle, do you see where

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1 it says, "Do not ask for the program. If they mention
 2 it, you may write it down."
 3 A. Yes.
 4 Q. What is the reason for that policy?
 5 A. We don't want the receptionist, who is
 6 not trained with any of the knowledge of the programs,
 7 to get into a conversation. She's just to take the
 8 information and pass it to someone who is
 9 knowledgeable.
 10 Q. Are the receptionists trained to use the
 11 script?
 12 A. Yes.
 13 Q. How many receptionists are there at the
 14 Chester campus?
 15 A. We have one, and then an evening
 16 receptionist.
 17 Q. And how many were at Richmond?
 18 A. One.
 19 Q. And is it the school's policy that they
 20 have to follow this?
 21 A. Yes.
 22 Q. And has the school been successful
 23 getting the receptionist to stick to this script?
 24 A. We think so.
 25 Q. It talks about a rotation for reps. I

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1 assume "rep" is admissions representative?
 2 A. Yes.
 3 Q. What's the rotation that's described?
 4 A. If we have more than one admissions
 5 representative on campus, then it would -- that
 6 representative, the call goes -- is to go to
 7 representative A, and she is busy, it rotates to B or
 8 C.
 9 Q. Is there any policy along the lines of if
 10 a person mentions a particular program they're
 11 supposed to go to a specific admissions rep as opposed
 12 to just the next in line?
 13 A. No.
 14 Q. Has there ever been that kind of
 15 arrangement?
 16 A. No.
 17 Q. Has it always been a strict rotation?
 18 A. Yes.
 19 Q. As opposed to a program the person may be
 20 calling about?
 21 A. That's correct.
 22 Q. Does that mean that all the admissions
 23 reps are equally trained to deal with inquiries about
 24 all the programs?
 25 A. Yes.

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1 Q. Down near the bottom where it says "log
 2 them," is that a reference to the call logs we were
 3 looking at?
 4 A. Yes.
 5 Q. What happens next when the call is
 6 transferred to an admissions rep?
 7 A. They have a conversation with the
 8 admissions rep.
 9 Q. And does that call also follow script?
 10 A. Yes, it does.
 11 (Exhibit Number 19 was marked for
 12 identification).
 13 Q. I'm showing you a one-page document,
 14 Exhibit Number 19, Bates number RSHT0031189. Please
 15 let me know when you've had a chance to look at that
 16 one.
 17 A. (Witness reviewing document).
 18 All right.
 19 Q. Is this the script you were referring to
 20 a moment ago?
 21 A. Yes.
 22 Q. So this is what the admissions rep is
 23 supposed to follow on the phone with the lead who has
 24 just called in; is that right?
 25 A. It's a guideline, yes.

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1 Q. Okay. When you use that word "guideline"
2 as opposed to the one I used, "script," is that
3 because people aren't required to follow it word for
4 word, but they are supposed to follow the gist of it?

5 A. That's correct.

6 Q. And is this used at the Chester campus?

7 A. Yes, it is.

8 Q. Okay. Was this used at the Richmond
9 campus?

10 A. Yes, it.

11 Q. Do you know if it was used at the
12 Charlottesville campus?

13 A. No, I don't know.

14 Q. How long has it been in use?

15 A. The phone scripts have been working since
16 I've been here -- I mean, when I took over as CEO.

17 Q. It was already in place?

18 A. The phone script was implemented during
19 that time.

20 Q. It was implemented during the time that
21 you became CEO?

22 A. Yeah.

23 Q. So it wasn't in use before then?

24 A. I don't know. But I ensured that this
25 phone script was in use.

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1 Q. And has this been changed over that time
2 period?

3 A. I don't think so. I think the basis of
4 it has pretty much remained the same.

5 Q. Maybe a tweak here or there, but
6 basically the same approach?

7 A. Yes.

8 Q. And has the school been successful in
9 making sure that the admissions reps follow this.

10 A. I would hope so. We do try to ensure,
11 yes.

12 Q. And do you believe that you have by and
13 large been able to --

14 A. Yes.

15 Q. -- make that happen?

16 A. Yes.

17 Q. How is a requirement that the gist of
18 this be followed communicated to admissions reps?

19 A. Through -- the director of marketing will
20 work with them, and the school director.

21 Q. And do they work with them face to face
22 in meetings, or is it just along the lines of: Here
23 is a packet of materials, and this is one of the pages
24 in there?

25 A. Well, I believe it would be communicated

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1 at different levels, probably conversation and a
2 packet of information.

3 Q. Is there some kind of training for new
4 admissions reps?

5 A. Yes, there is.

6 Q. Near the bottom, do you see where it
7 says, "Go for today appointment?"

8 A. Yes.

9 Q. And is that the school's goal to, if at
10 all possible, have the lead come in the same day as
11 the call for a conversation?

12 A. Yes.

13 Q. And is that because the sooner someone
14 comes in to visit, the better response rate you get?

15 A. I think it's just over the years it's
16 been the policy of schools.

17 Q. Are there other scripts besides the two
18 that we have just looked at that are used in the
19 marketing admissions process?

20 A. We have our flip chart that -- and I
21 think that's how it's listed for you.

22 (Exhibit Number 20 was marked for
23 identification).

24 Q. I'm showing you a document marked Exhibit
25 Number 20, Bates numbers RSHT0010959 through

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1 RSHT0011018. I know that's a long document. Can I
2 just ask you first: Is this the flip chart you were
3 referring to?

4 A. Yes, it is.

5 Q. And when you've had a chance to look at
6 that, I'll ask you a couple of other questions about
7 how that's used.

8 A. Okay.

9 Q. Who uses this flip chart?

10 A. The admissions reps.

11 Q. At Chester and at Richmond while Richmond
12 was open?

13 A. Yes.

14 Q. And do you know about Charlottesville?

15 A. No, I don't think -- we wouldn't have had
16 it at Charlottesville.

17 Q. Okay. Do admissions representatives use
18 this with a prospective student in their office?

19 A. Yes. It's PowerPoint.

20 Q. Do they put it up on a screen?

21 A. No. It's done on their computer.

22 Q. And how do they use the document?

23 A. This is a presentation of the school, the
24 programs, and who we are and what we have.

25 Q. Are admissions officers supposed to use

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1 this presentation with all leads that come in?

2 A. Yes.

3 Q. Do they go through the whole
4 presentation, or do they exclude the parts applicable
5 to specific programs that are not what the person is
6 in for?

7 A. Yeah, they would eliminate the programs
8 that the student was not interested in.

9 Q. So they would use the parts of general
10 applicability and the program specific for the program
11 of interest?

12 A. That's correct.

13 Q. How long has this presentation been in
14 use?

15 A. Pretty much since I took over as CEO. We
16 either had it in flip chart form, and then we
17 transitioned to the systems.

18 Q. So the flip chart form is just a physical
19 version of what's now shown --

20 A. Yes.

21 Q. -- on a computer screen?

22 A. Yes.

23 Q. Okay. Were you responsible for having
24 this developed?

25 A. Yes.

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1 Q. Was there anything like it in place
2 before you had it developed?

3 A. I'm not aware of anything.

4 Q. Which term is regularly used at RSHT,
5 "representative" or "admissions officer?"

6 A. We probably just use it interchangeably.

7 Q. So I'll keep doing the same. Thank you.

8 Are admissions officers trained to use this
9 presentation?

10 A. Yes.

11 Q. Is it the school's understanding that it
12 is used as intended?

13 A. Yes.

14 Q. And used regularly?

15 A. Yes.

16 Q. Is there a version of this on a computer
17 system that has any notes for each slide that, you
18 know, only the rep can see?

19 A. No. We have the same information as
20 that.

21 Q. Just to make sure I'm clear, I'm asking
22 because I know in PowerPoint there can be some sort of
23 notes you keep on the side that don't necessarily show
24 up on the screen. Are there any such notes in this
25 file?

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1 A. No. And actually we don't have a screen.
2 It's shown right on their computer right there.

3 Q. So there's nothing for the admissions rep
4 to see that the prospective student isn't also seeing?

5 A. No.

6 Q. Just because yeses and noes can be a
7 little confusing on the record depending on the
8 question, you meant no, there was nothing else, right?

9 A. No, there was nothing else.

10 Q. Okay. Thank you. that was my fault with
11 the question.

12 So you had noted this when I asked you if
13 there were any other scripts used in the marketing
14 admissions process. Any others?

15 A. No. The catalog. They use the catalog.

16 Q. And that's the school catalog?

17 A. Yes.

18 Q. And how do they use the catalog?

19 A. They go through the admissions process
20 that's in the catalog when a student -- what a
21 prospective student would have to do in order to
22 become a student.

23 Q. Okay.

24 A. And the requirements.

25 Q. So they don't page through the whole

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1 catalog. They go to the part of the catalog that
2 deals with admissions requirements?

3 A. They go through that, and then they will
4 slide through the catalog, but the main focus is to
5 inform the student of what their admissions
6 requirements would be in order to come to school. And
7 then they may go to their curriculum study that's in
8 the catalog.

9 Q. Okay.

10 A. I know that's not part of anything, but
11 they do have to cover the admissions process.

12 Q. Okay. And they're trained to do that?

13 A. Yes.

14 Q. And they're trained by who?

15 A. Director of marketing, and the school
16 director works with them.

17 Q. Is there a director of admissions?

18 A. No.

19 Q. Do the admissions officers report to the
20 director of marketing?

21 A. They report to the school director.

22 Q. But the director of marketing does have
23 some responsibilities related to those -- the
24 admissions reps?

25 A. To a certain degree.

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1 Q. Including training?
 2 A. Yeah.
 3 Q. Those admissions requirements you were
 4 talking about, when the Richmond campus was open, were
 5 those the same at both campuses?
 6 A. Yes, they were.
 7 Q. Were those the same at the
 8 Charlottesville campus as they were for the Richmond
 9 campus?
 10 A. Yes, they were.
 11 Q. So at no point have admissions
 12 requirements been different at different campuses?
 13 A. No.
 14 Q. It's always been the same?
 15 A. Right.
 16 (Exhibit Number 21 was marked for
 17 identification).
 18 Q. I'm showing you Exhibit Number 21. And
 19 for the record, this is an excerpt of a few pages from
 20 one version of the school catalog produced by RSHT
 21 with cover page RSHT0021811. If I could direct your
 22 attention to page 7 within the document, which is
 23 Bates number 21819.
 24 A. (Witness reviewing document).
 25 All right. I've read it.

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1 Q. Are those the admissions requirements you
 2 were just talking about a moment ago?
 3 A. For the radiology and practical nursing,
 4 yes.
 5 Q. Okay. Are there different requirements
 6 in the catalog for other programs?
 7 A. Yes.
 8 Q. Okay. And turn to page 9 where it says,
 9 "Admissions Procedure." Would those be the other
 10 procedures or requirements you're talking about?
 11 A. Yes.
 12 Q. Was there another distinction you were
 13 going to draw?
 14 A. Page 8 for the allied health department.
 15 Q. And allied health would cover radiologic,
 16 but not nursing; is that right?
 17 A. No. Allied health -- I mean, radiology
 18 still has a little separate criteria from the other
 19 programs.
 20 Q. Okay. Was radiology offered at both
 21 campuses?
 22 A. No.
 23 Q. Okay. Just Chester?
 24 A. Yes.
 25 Q. Practical nursing?

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1 A. No. Just Richmond.
 2 Q. Just Richmond, okay.
 3 A. We now have it at Chester.
 4 Q. Okay. But it was never at both Richmond
 5 and Chester simultaneously?
 6 A. No.
 7 Q. Some of the allied health programs have
 8 been at both campuses at the same time, though, right?
 9 A. That's correct.
 10 Q. And admissions requirements or procedures
 11 are identical regardless of the campus; is that right?
 12 A. That's correct.
 13 Q. And the admissions officers are required
 14 to go over these requirements and procedures with a
 15 prospective student; is that right?
 16 A. That's correct.
 17 Q. Okay. And it's the school's
 18 understanding that, in fact, they follow that
 19 requirement, right?
 20 A. To the best of our knowledge.
 21 Q. And have these requirements and
 22 procedures changed much over time? I apologize if I
 23 already asked you that, but if you could answer it
 24 again, if I did.
 25 MR. DEWITT: Let me just note just an

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1 objection to the form. I'm not sure what you mean by
 2 have they changed much. That's a little bit vague.
 3 Q. Do you understand what I mean by "change
 4 much?"
 5 A. They -- no, I'm not sure.
 6 Q. Okay. Well, let me rephrase the
 7 question. Have the admissions procedures and
 8 requirements changed over time?
 9 A. They've basically remained the same.
 10 Q. Direct your attention back to the
 11 "Admissions Procedure" section on page 9. Do you see
 12 where it says, "Upon completion of the above steps,
 13 the candidate's application is reviewed by the
 14 admissions committee and submitted to the school
 15 director for approval?"
 16 A. Yes.
 17 Q. What is the admissions committee?
 18 A. Well, those are your deans and your
 19 department heads are looking at -- you know, they have
 20 to meet that criteria to be able to come to school.
 21 Q. Who is the admissions committee?
 22 A. The school director, certainly, the dean
 23 of nursing or director of nursing, and the career
 24 services department would participate.
 25 Q. And does that committee meet for every

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1 paperwork they're going to take home with them, and
2 they're introduced to this letter at that time.

3 Q. The letter on the top, 22681 and 22683,
4 in the second paragraph they say, "In order to insure
5 a place for you in class, please complete and return
6 the enclosed program acceptance policy."

7 Does that suggest there might have been a
8 point in time when it was mailed?

9 A. They may still mail it, but the first
10 introduction is they do see this when they come into
11 admissions.

12 Q. So even if the letter is mailed, the
13 school doesn't just sit there and wait for the
14 acceptance policy to come back signed. The school
15 basically expects to have it signed when the student
16 comes in; is that right?

17 A. Well, before they come in to actually
18 start school, they will have to sign the acceptance
19 policy at some point in time, yes.

20 Q. And they may sign it and mail it in to
21 you, or they may just do it physically at the school?

22 A. Yes.

23 Q. Okay. The exhibit includes, for most
24 programs, a version of the program acceptance policy
25 with the Chester address and one with the Richmond

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1 address?

2 A. Yes.

3 Q. Do you see that?

4 A. Yes.

5 Q. The policies -- the acceptance policies
6 are the same, though, regardless of campus; is that
7 right?

8 A. That's correct.

9 Q. Okay. How long have these acceptance
10 policies been in use?

11 A. Well, I know we've had them back to '07
12 that I can confirm. Probably before then -- it's just
13 part of what we do in our school business.

14 Q. Have the policies changed over time?

15 A. I wouldn't -- their basic content would
16 still be the same. Some of the verbiage may be
17 changed, but the basic content or intent was still
18 there.

19 Q. So let me back up to when the student
20 comes into the admissions rep's office. You talked
21 about the use of the flip chart --

22 A. Yes.

23 Q. -- or the electronic version, the
24 PowerPoint presentation?

25 A. Yes.

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1 Q. What else is the admissions rep supposed
2 to do with the prospective student during that
3 meeting?

4 A. I'm not sure I understand what you're
5 asking me.

6 Q. The meeting is one on one in the
7 admissions rep's office; is that right?

8 A. That's correct.

9 Q. And one thing that happens in that
10 meeting is the use of the flip chart, right?

11 A. That's correct.

12 Q. What else transpires in that meeting?
13 What does the admissions rep discuss with the student,
14 or ask the student to discuss with him or her?

15 A. They go over the data sheet that the
16 students get at the front desk, which is the personal
17 information from the student to -- and then they'll --
18 if they do the presentation and they've gone through
19 the flip chart, they'll take them on a school tour.
20 They will meet financial aid to give them an overview.
21 They do not have to be enrolled to apply for financial
22 aid. They can do it on their own choosing. That's
23 about it, I think.

24 Q. And are the admissions reps supposed to
25 take the same approach with each prospective student?

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1 A. Yes.

2 Q. Is that part of their training with the
3 director of marketing and school director?

4 A. Yes.

5 Q. Is it the school's understanding that the
6 admissions reps do, in fact, take the same approach
7 with each prospective student?

8 A. Yes. We have a follow-up sheet that a
9 prospective student pulls out so that we can view it
10 to see if everything that was supposed to have taken
11 place did.

12 (Exhibit Number 23 was marked for
13 identification).

14 Q. Showing you a one-page exhibit marked
15 Exhibit Number 23, Bates number RSHT0022660.

16 A. (Witness reviewing document).

17 All right.

18 Q. Is this the follow-up survey you were
19 just referring to?

20 A. Yes.

21 Q. Okay. Thank you. Is this designed to
22 help the school assure uniformity in the admissions
23 process?

24 A. Yes.

25 Q. Is it the school's belief that it has

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1 been successful assuring that uniformity?

2 A. Yes.

3 Q. And the process is the same -- or was the
4 same in both campuses, right?

5 A. Yes.

6 Q. When Charlottesville was open, was the
7 process supposed to be the same there as at the other
8 campuses?

9 A. I can't tell you that because I didn't --
10 you know, like I said, the admissions at
11 Charlottesville was pretty nil when I took over.

12 Q. Looking at the interview section, items
13 one through six, is the answer supposed to be "yes" on
14 all of those?

15 A. Yes.

16 Q. Okay. And looking at campus tour one,
17 two, and three, is the answer supposed to be "yes" on
18 all of those?

19 A. Yes.

20 Q. How often do you see a no?

21 A. Down on the enrollment area. You mean
22 where --

23 Q. Just for those sections that I asked you
24 about.

25 A. Very rarely do we get a no on it.

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1 Q. When you do see a no, does the school
2 take action to -- corrective action?

3 A. Yeah. We follow up to see why.

4 Q. Follow up with the admissions officer?

5 A. Yes.

6 Q. And instruct them or train them to change
7 what they're doing to get a yes; is that right?

8 A. Yes.

9 Q. Are there aspects of what the director is
10 supposed to do with the prospective student that are
11 not reflected on the interview and campus tour
12 portions of this survey?

13 A. No.

14 Q. This really covers the territory that
15 they're supposed to cover with the person who is
16 coming in?

17 A. Yes.

18 (Exhibit Number 24 was marked for
19 identification).

20 Q. I'm showing you Exhibit Number 24, which
21 is a two-page document. It's RSHT0022661 and
22 RSHT0022663. Let me know when you've had a chance to
23 look at that.

24 MR. DEWITT: Glenn, is there supposed to be
25 a document?

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1 MR. SCHLACTUS: It was something that I
2 deliberately left out. It wasn't a substantive
3 component of one of these two pages.

4 MR. DEWITT: These aren't excerpts like you
5 did with the school guidelines?

6 MR. SCHLACTUS: This was not an excerpt.

7 MR. DEWITT: Okay.

8 MR. SCHLACTUS: When we take another break,
9 I can open up my computer and tell you exactly what it
10 was. But it was not intended to excerpt. It was
11 intended to just give the parallel document for the
12 two campuses. That's all.

13 A. Okay. I've read it.

14 Q. What is this document? What are these
15 two documents?

16 A. They're applications for admission. One
17 is for the enroll on. The other is for the Chester
18 campus.

19 Q. Enroll on being Richmond, right?

20 A. Yes.

21 Q. Any differences between them, apart from
22 the campus?

23 A. No.

24 Q. And is this something that is filled out
25 with an admissions rep once a student decides they

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1 want to go to RSHT?

2 A. Yes.

3 Q. Are people sent home with this
4 application to fill out, or do they fill it out at the
5 school?

6 A. I don't know. They could get it. I
7 don't know if they might send it home or not.

8 Q. Okay. And if you're not sure, that's
9 fine. The same application is used for all the
10 schools' programs; is that right?

11 A. Yes.

12 Q. Do you know if a similar application was
13 used in Charlottesville?

14 A. Yes.

15 Q. Are you sure it was?

16 A. I'm pretty sure it would have been,
17 because the application has been around.

18 Q. So it's the same application that's been
19 in use as long as you've been at the school?

20 A. Yes.

21 Q. And as far as you know, from some earlier
22 time?

23 A. Yes.

24 Q. It has not changed?

25 A. I don't think so.

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1 Q. Is this the application that's reviewed
2 by the school director like we were discussing before?

3 A. It would be in the school's file that
4 came through, yes.

5 Q. What is the admissions officer's goal in
6 that meeting when the student has to come to the
7 school for the first time?

8 A. To give correct and precise information
9 about what the school does, and the programs that are
10 there, and to ensure that the student goes through the
11 campus and sees what's there.

12 Q. Is a goal also to persuade the person to
13 apply for admission?

14 A. The goal, again, is to ensure that all
15 the proper information, and catalog, and information
16 with the catalog, and information from the school
17 itself has been given in a precise and clear manner.

18 Q. And is the purpose of wanting to give all
19 that information, and give it accurately and clearly,
20 in order to generate enrollment to the school?

21 A. In order to help the student make a
22 decision as to whether she wants to come to that
23 school or not.

24 Q. Is the admissions officer's job fairly
25 described as a sales job for the school?

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1 A. No. No.

2 Q. Why not?

3 A. Because their job is to give information.
4 They're an information source of what we have
5 available and what's there. And then it's up to the
6 student to sign if they want to take part in that.

7 Q. Is the admission officer's job in part to
8 persuade a student of anything?

9 A. No. Their job is to ensure that -- and
10 that's why we have that follow-up document -- to make
11 sure that what we put on that PowerPoint, and what's
12 in our catalog, and what's in our school rooms has
13 been shown to that student so they can make a decision
14 on what they want to do.

15 Q. And they're not trying to sell the school
16 or persuade somebody to enroll at the school?

17 MR. DEWITT: I'll just note an objection.
18 It's been asked twice and answered. But answer again.

19 A. Their goal is to ensure all the
20 information is available to that student about our
21 school so they can make the decision they want to
22 make.

23 Q. I don't think the last answer really
24 directly answered the question. I understand what
25 you're saying, that this is the goal. I'm asking if

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1 something else is also the goal. Is selling the
2 school also a goal of the admissions office?

3 MR. DEWITT: Same objection; now asked three
4 times. You can respond.

5 A. The objective is to make sure that the
6 student has the proper information and makes the
7 decision they want to make to come to the school.
8 Retention is a very important part of the school.

9 Q. What do you mean by that, retention is a
10 very important part of school?

11 A. Well, students need to have all the
12 information, understand it, be able to know what's
13 available to them so they complete school. The goal
14 is for completion.

15 Q. But I'm asking about in the admissions
16 rep's office, not down the road.

17 A. I understand that. I understand that.

18 Q. You said what the objective is. Is there
19 any other objective?

20 A. No.

21 Q. When a student decides they want to come
22 to RSHT, they fill out the application for admission,
23 right?

24 A. Yes.

25 Q. Did you say earlier that they might also

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1 fill out the enrollment agreement as early as the
2 first time they visit?

3 A. They can do that when they enroll.

4 Q. When their application is being reviewed,
5 at that point have they filled out the enrollment
6 agreement?

7 A. Yes.

8 Q. They have? Okay. So they fill that
9 document out before the school has decided whether to
10 accept them?

11 A. Yes. They have made full enrollment.

12 Q. Am I correct in understanding the
13 application and enrollment agreement are completed and
14 signed at the same time?

15 A. Would you repeat that?

16 MR. SCHLACTUS: Let me ask it again after I
17 show you the next document.

18 (Exhibit number 25 was marked for
19 identification).

20 Q. I'm showing you Exhibit Number 25. It's
21 a two-page document, RSHT0022672 through 22673.

22 A. (Witness reviewing document).

23 All right.

24 Q. What is this document, and what is it
25 used for?

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1 A. This is the enrollment agreement.
 2 Q. So I believe you testified that this
 3 document is filled out and signed by the student
 4 before the file goes to the school director; is that
 5 right? For a decision on the application?
 6 A. Repeat.
 7 Q. Sure. No problem. The student fills out
 8 and signs this document before the school director or
 9 the admissions committee makes a decision on the
 10 application; is that right?
 11 A. That's correct.
 12 Q. Okay. And the same is true of the
 13 application for admission?
 14 A. Yes.
 15 Q. Are those two documents, the application
 16 for admission and the enrollment agreement, filled out
 17 by the student at the same time?
 18 A. I'm going to say probably.
 19 Q. I'm really just trying to understand sort
 20 of process and order of operation, if you will.
 21 A. Yes.
 22 Q. Where it says "grantor" at the bottom of
 23 this enrollment agreement, "grantor's signature," is
 24 that where the school signs?
 25 A. Yes.

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1 Q. Has the same enrollment agreement always
 2 been used at the different campuses?
 3 A. Pretty much. Yeah, I mean, it's been the
 4 standard enrollment agreement. Probably on the back
 5 page of the enrollment agreement we've made a couple
 6 of changes, but nothing -- but the front has been --
 7 Q. I'm sorry.
 8 A. The front has been pretty much this way.
 9 Q. Okay. And has there ever been a point
 10 where one version was being used at one campus, but a
 11 different version being used at another campus at the
 12 same time?
 13 A. I'm unaware of that.
 14 Q. Okay.
 15 A. I mean, I don't think so.
 16 Q. Okay. It's always been the intent --
 17 A. Yeah.
 18 Q. -- to use the same form --
 19 A. At both campuses.
 20 (Exhibit Number 26 was marked for
 21 identification).
 22 Q. I'm showing you Exhibit Number 26, a
 23 two-page document, RSHT0001586 through 1587. Oh, I'm
 24 sorry -- yeah, that's right.
 25 A. Okay.

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1 Q. And I want to ask you just about the form
 2 here, not the student-specific information that's
 3 filled in. Is this just an earlier version of Exhibit
 4 Number 25?
 5 A. You'll see the dates on the bottom.
 6 MR. DEWITT: Glenn, let me just make a quick
 7 note here. There's some personal identifying
 8 information that I haven't -- I think I haven't --
 9 excuse me, September 24. We'll be designating that as
 10 confidential, just for the record.
 11 MR. SCHLACTUS: And this has a Social
 12 Security number on it. We certainly agree that this
 13 should be designated confidential. Absolutely.
 14 Thanks for noting that.
 15 Q. I just want to make sure your answer was
 16 clear, Ms. Lake. This is, in fact, just an earlier
 17 version of the enrollment agreement, an earlier
 18 version of Exhibit 25?
 19 A. Yes.
 20 Q. Used for the same purpose?
 21 A. Used for the same purpose.
 22 Q. Has the same enrollment agreement been
 23 used without regard to what program somebody is
 24 enrolling in?
 25 A. Yes.

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1 MR. DEWITT: Let me just -- so I can
 2 clarify, because that question -- you're saying the
 3 same over what span of time? Because this is actually
 4 different than the other form we just reviewed.
 5 MR. SCHLACTUS: Right. Let me make sure
 6 we're clear on the record.
 7 Q. At any given time, whatever version of
 8 the enrollment agreement is in effect, is it just the
 9 one document that's used, regardless of the program
 10 somebody is enrolling in?
 11 A. Yes.
 12 Q. Okay. Thank you.
 13 MR. DEWITT: You know what, Glenn? We may
 14 have to look into this. You can certainly ask
 15 Ms. Lake. I don't know that this is --
 16 THE WITNESS: No, this is not part of the
 17 enrollment agreement.
 18 MR. DEWITT: I don't think this is part of
 19 the enrollment agreement. It's certainly Bates
 20 numbered 86 to 87, but it appears we have two
 21 different forms.
 22 MR. SCHLACTUS: I think you're right.
 23 THE WITNESS: I thought this was something
 24 else. I thought he was asking me about this one.
 25 MR. SCHLACTUS: I tell you what: At a

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1 break, let me just make a version of this that's just
2 the first page, and then are we in agreement to swap
3 that out?

4 Mine is double-sided. Yours isn't.
5 Can we just tear off the second page?

6 MR. DEWITT: Well, the problem then is that
7 the record won't reflect what we were reviewing. You
8 might want to, at a break, find the complete
9 enrollment agreement, and we can make that an exhibit.
10 I'm not going to tell you how to conduct the
11 deposition.

12 BY MR. SCHLACTUS:

13 Q. Well, let me ask you, Ms. Lake: At this
14 point in time, does it appear that the enrollment
15 agreement was just one page and not two, or a
16 double-sided document?

17 A. The enrollment agreement was a
18 double-sided document always, but what you gave me is
19 not a double-sided enrollment agreement.

20 MR. SCHLACTUS: Okay. So there was --
21 something got Bates numbered out of sequence, I guess.

22 MR. DEWITT: That's what I think.

23 A. There was always this page with it.

24 Q. When you said "this page," you were
25 pointing to?

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1 MR. DEWITT: I don't know that we're going
2 to designate this.

3 THE WITNESS: I'm not concerned about it.

4 BY MR. SCHLACTUS:

5 Q. I think you already answered the question
6 I was going to ask you about it, but I'll hand them to
7 you and ask you anyway.

8 I'm going to show you two exhibits now,
9 27 and 28. 27 is Bates number RSHT0006075 through
10 6076, and Number 28 is RSHT0003474 through 3475. And
11 just to let you know, these are obviously completed
12 forms; but I'm just asking you about the content and
13 nothing about the particular student who completed
14 them.

15 A. Okay.

16 Q. Have you had a chance to look at those?

17 A. Yes.

18 Q. Are these just two different versions of
19 the same document; one for the Richmond campus, one
20 for the Chester campus?

21 A. Yes.

22 Q. And are they otherwise the same document?

23 A. Otherwise, they're the same document.

24 Q. Same form, I should say?

25 A. Yes. Uh-huh (affirmative).

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1 A. 2673 is the second page of the enrollment
2 agreement.

3 Q. 22673, just to be clear?

4 A. Yeah, 22673 and 22672 is the entire
5 enrollment agreement. What you produced for me here
6 is the front page of an enrollment agreement along
7 with the ending page of our drug information form.

8 MR. SCHLACTUS: When we take break, which
9 we'll do shortly, we will try and get that
10 straightened out to make sure you have the correct
11 full document. And we'll put that one in the record.
12 Thank you. And why don't we take that break now.

13 (Whereupon, a recess was taken).

14 (Exhibit Numbers 27 and 28 were marked
15 for identification).

16 MR. SCHLACTUS: Alex, should student files
17 be confidential? These are from the initial
18 disclosures.

19 MR. DEWITT: Would this be confidential?

20 THE WITNESS: Not really.

21 MR. DEWITT: I wouldn't --

22 THE WITNESS: I mean, it's just --

23 MR. DEWITT: This is something that's given
24 out to the student.

25 THE WITNESS: We do this in orientation.

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1 Q. And what is this, and when is this used?

2 A. This is done -- we do an orientation
3 three days before the student starts to school, and
4 this is done by the school director line item by line
5 item in the orientation room with everyone at the same
6 time.

7 Q. Okay. Everyone who's starting a
8 program --

9 A. Yes.

10 Q. -- is in that room at the same time?

11 A. No matter what the program is, they're in
12 it together at the orientation.

13 Q. So that process happens, and this form
14 was used after the school has decided to admit a
15 student?

16 A. Yes.

17 Q. Does the admissions officer also go
18 through this information at an earlier stage?

19 A. They could. There is no reason they
20 can't go through it with an admissions person, because
21 it's what our placement rates and grant rates and so
22 forth have been for that period of time. So there's
23 no reason that they can't go through it.

24 Q. Okay. But am I correct in understanding
25 that they're not trained to affirmatively go through

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1 this information the way they are, for example,
2 trained to go through the flip chart?

3 A. No. They're not trained; but this is the
4 only information that they should give concerning
5 placement or graduation rates or anything, is what's
6 on this certification.

7 Q. Okay. Did you say that it's the school
8 director who goes over that information with the
9 students?

10 A. Yes. During orientation, yes.
11 (Exhibit Number 29 was marked for
12 identification).

13 Q. I'm now showing you a one-page document,
14 Exhibit Number 29, Bates number RSHT0022680.

15 A. Yes.

16 Q. Have you had a chance to look at that?

17 A. Yes.

18 Q. And what is this document?

19 A. This is done during the admissions
20 process when they're actually enrolling so that they
21 know what they have to have in order to start school
22 -- whether it's a week away, or ten days away, or
23 wherever they are -- and when their orientation will
24 be held, what day the orientation will be held.

25 Q. And this is a letter that's mailed out to

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1 the student?

2 A. It's actually given to the student during
3 the time that they're doing their enrollment
4 agreement. When they do their enrollment agreement,
5 then there's a whole packet of information that's
6 given to them so that we prepare to return to
7 orientation or to return to school when they come in
8 to school.

9 Q. So then this letter is given to them
10 before that point in time when the school director
11 looks at their application to say thumbs up or thumbs
12 down?

13 A. Yes.

14 (Exhibit Number 30 was marked for
15 identification).

16 Q. I'm showing you Exhibit Number 30, Bates
17 number RSHT0001603 through 1604. And this, I believe,
18 is just the correct two-page version of the document
19 we looked at before, Exhibit Number 26, where we had a
20 little confusion as to the second page; is that what
21 it appears to be?

22 A. Yes.

23 Q. So this appears to be the complete
24 two-page or two-sided enrollment agreement; is that
25 right?

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1 A. Yes, that's correct.

2 Q. Okay. The questions you answered with
3 respect to Exhibit Number 26, before we figured out
4 that it was the -- had the wrong second page, would
5 those answers have pertained to Exhibit Number 30,
6 this version of the document?

7 A. I don't remember what they were.

8 Q. Let me ask real quick to make sure we're
9 clear on the record, and then we'll take a short
10 break: Is this Exhibit Number 30 just an earlier
11 version of the enrollment agreement shown in Exhibit
12 Number 25?

13 A. Yes.

14 MR. SCHLACTUS: Okay. You can put that one
15 aside, and let's take a short coffee break.

16 (Whereupon, a recess was taken).

17 BY MR. SCHLACTUS:

18 Q. Ms. Lake, there's a step in the process
19 called entrance interview; is that right?

20 A. Yes.

21 Q. What is that?

22 A. That's done in the financial aid
23 department.

24 Q. Okay. And at what point in the process
25 between when a person first calls RSHT and starts

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1 classes does the entrance interview happen?

2 A. When they apply for financial aid.
3 That's all inclusive.

4 Q. And did I understand you correctly before
5 that they can apply for financial aid either before or
6 after the school has actually admitted them?

7 A. Yes. They do not have to be enrolled to
8 apply.

9 Q. And so, in practice does the entrance
10 interview sometimes happen before they're admitted and
11 sometimes after?

12 A. Let me clarify, because that entrance
13 interview is going to happen -- if the student is
14 really enrolled in school, and really is going to go
15 through any type of financial aid service, then we do
16 the entrance interview.

17 Q. Okay. And the government has certain
18 regulations around the entrance interview; is that
19 right?

20 A. Well, that's --

21 MR. DEWITT: Are you saying the federal
22 government?

23 MR. SCHLACTUS: Yeah. I may be wrong in my
24 understanding.

25 A. Yeah, I mean, you know, you follow the

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1 guidelines and policies developed by the U.S.
2 Department of Education. We have a third-party
3 processor that helps us develop our entrance
4 interviews to ensure -- and actually --

5 MR. DEWITT: Wait for the question.

6 A. Okay.

7 Q. In practice at RSHT, did I understand you
8 to say that the entrance interview takes place after
9 the student has been admitted, and it's definitely
10 determined --

11 A. No.

12 Q. -- that they're attending?

13 A. That's not what I said. When they
14 actually apply for financial aid, they've made their
15 enrollment in school, and they're actually going to
16 utilize any type of financial aid services from the
17 school, then the entrance interview is done.

18 Q. And when you say they've made their
19 enrollment, does that mean they've signed the
20 enrollment agreement?

21 A. Uh-huh (affirmative).

22 Q. Who conducts the entrance interview?

23 A. The financial aid office.

24 Q. Is that one person will conduct the
25 entrance interview for a given student, or is it

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1 potentially multiple people involved in that process?

2 A. No, just one, whoever the student is
3 working with.

4 (Exhibit Number 31 was marked for
5 identification).

6 Q. Ms. Lake, I'm showing you -- it's a long
7 document called "Admissions Manual" on the title page.
8 It's Exhibit Number 31 with Bates numbers RSHT22567
9 through 22724. I will ask you a couple of general
10 questions, and then I'll point you to a few specific
11 pages for questions.

12 A. Okay.

13 Q. The title page says, "Admissions Manual."
14 Is that what this document is?

15 A. Yes.

16 Q. Okay. And is this used to train
17 admissions officers?

18 A. It's a roadmap for admissions officers.

19 MR. DEWITT: I just want to note also it
20 appears that the title says, "Admissions Training
21 Manual." You can ask her about that.

22 Q. Right. So "admissions manual" may be
23 just how a file is labeled, but the official title is
24 "Admissions Training Manual." Does that seem right?

25 A. Yes.

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1 Q. All right. Fair enough. Are admissions
2 officers given this manual when they start working for
3 RSHT?

4 A. They go through it.

5 Q. When?

6 A. When they're first hired.

7 Q. And is it somebody's job to make sure
8 they go through it?

9 A. Well, the director of marketing and the
10 school director work with them.

11 Q. Who was responsible for creating this
12 manual? Is this RSHT's own product, or was it
13 purchased through a third party?

14 A. No. It has been -- it was around when I
15 came there, but it pretty much is formatted by
16 Nancy -- through -- I mean, Nancy Rogers.

17 Q. Nancy Rogers is a company that creates
18 these kinds of manuals; is that right?

19 A. Yes. But I can't verify that this whole
20 manual was a Nancy Rogers manual, but it is a third
21 party. There's thirty-party information in here from
22 her. I can see that.

23 Q. And is this part of a training package
24 that RSHT purchased?

25 A. Possibly.

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1 Q. RSHT produced some videos on DVDs to us
2 in this case.

3 A. Yes.

4 Q. Do those DVDs go with this manual?

5 A. I think so.

6 Q. Okay.

7 A. Like I said, I mean, they pretty much
8 look like that format together.

9 Q. Okay. Is this manual used as part of a
10 broader training process for admissions officers?

11 A. I'm not sure I understand what you're
12 asking.

13 Q. Admissions officers are given this manual
14 before they start; is that right?

15 A. Before they start?

16 Q. Thank you. I should rephrase that.

17 Admissions officers are given this manual at the
18 beginning of their employment with RSHT; is that
19 right?

20 A. Yes. There is one accessible to them,
21 yes.

22 Q. Are they asked to spend time reviewing
23 this document?

24 A. Yes, they are.

25 Q. And maybe "asked" isn't the best choice

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1 Q. So they may be at an open house at the
2 school and express their interest, but even then
3 they're going to have to come back for a separate
4 appointment; is that right?

5 A. Yes. They'll have to go through -- well,
6 they'll have to go through the admissions process, the
7 whole steps.

8 Q. Okay. And that admissions process, if
9 I'm understanding you correctly, won't happen at the
10 open house or the similar event; is that right?

11 A. I wouldn't think so, no, because they
12 wouldn't have time to do anything that day.

13 Q. Are there speakers at any of those events
14 who talk about RSHT's programs?

15 A. I don't know.

16 Q. Well, for example, does the school
17 director give a presentation about the programs at an
18 open house?

19 A. She could. She could.

20 Q. Okay. Does "she could" -- does your
21 answer mean sometimes that happens, or it's a
22 possibility? You don't know?

23 A. I don't know because I've never attended
24 one of the open houses, actually.

25 Q. So you don't know the details of --

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1 A. No.

2 Q. -- what's going on there?

3 A. No, I don't.

4 Q. Okay. At what point does a prospective
5 student meet with somebody from financial aid?

6 A. When they come in for the interview with
7 an admissions person they -- the financial aid will do
8 an overview with them then. It can be five minutes or
9 whatever just to -- usually it's about five minutes, a
10 thing they talk to them about, and explain to them
11 what they need to do if they're considering financial
12 aid.

13 Q. Is there something like a script or a
14 flip chart for that meeting with financial aid?

15 A. No. No, there isn't.

16 Q. Okay. What are the financial aid
17 personnel supposed to do in that meeting? What
18 information are they supposed to communicate?

19 A. We actually -- and I think you have the
20 documents. There's two federal student forms or
21 federal pamphlets that we give -- that the financial
22 aid people give to the student at that time so they
23 can take it home and read about things that are
24 available.

25 Q. So that's supposed to be a standard thing

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1 they do, give them the same literature?

2 A. Yeah, they do.

3 Q. And the financial aid personnel are
4 trained to give them those pamphlets at that meeting?

5 A. Yes.

6 Q. Who trains the financial aid personnel?

7 A. We have a director of financial aid at
8 our corporate office.

9 Q. Okay. And is that Phillip Knight?

10 A. No. That's Tammy Raines.

11 Q. Was it at one point Phillip Knight?

12 A. No. Never.

13 Q. And how long has it been that Tammy
14 Raines has been in that position?

15 A. She's been at that school since the
16 school started.

17 Q. And she's been in that position the whole
18 time?

19 A. From the time they had financial aid or
20 was authorized to handle Title IV. And prior to that,
21 of course, it would have been other payment, or
22 whatever that she's been involved with the school --

23 Q. And that authorization came pretty early
24 in the school's history; is that right?

25 A. Well, you have to be open at least 18

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1 months before you can make application for
2 accreditation. You have to have accreditation before
3 you can -- so school was open a little ways down the
4 road before it ever became approved.

5 Q. And Ms. Raines is responsible for
6 training the financial aid -- I'm sorry, let me start
7 again.

8 Ms. Raines is responsible for training
9 the financial aid personnel at all of RSHT's campuses;
10 is that right?

11 A. Yes, she is, and oversees them.

12 Q. So those financial aid personnel report
13 to her, as opposed to reporting to somebody on campus?

14 A. It's a collaboration probably, you know.
15 But any direct financial aid questions or any concerns
16 from that department would certainly be handled by
17 Ms. Raines. And if she doesn't have the answer, we
18 know how that is to be handled; we contact our
19 third-party processor.

20 Q. Has financial aid at one campus ever been
21 handled differently than the way it's handled at a
22 different campus?

23 A. No.

24 Q. It's always been consistent. And part of
25 Ms. Raines's responsibilities is to --

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1 A. Yes.
 2 Q. -- ensure that consistency?
 3 A. Yes.
 4 (Exhibit Number 32 was marked for
 5 identification).
 6 Q. I'm showing you Exhibit Number 32. This
 7 is a two-page document, RSHT0022524 through 22525. If
 8 you'd let me know when you've had a chance to look at
 9 that.
 10 A. (Witness reviewing document).
 11 Okay. I'm good.
 12 Q. Does this document go with the entrance
 13 interview we were talking about earlier?
 14 A. Yes; from financial aid.
 15 Q. From financial aid?
 16 A. Yes.
 17 Q. About a third of the way down you see a
 18 couple of publications. Two or three are italicized?
 19 A. Yes.
 20 Q. Are those the pamphlets you were talking
 21 about a minute ago?
 22 A. Yes, and there's more even that we hand
 23 out.
 24 Q. Does everybody get the same collection of
 25 pamphlets?

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1 A. Yes. Yes. We order them every year.
 2 Q. What is this document used for? What
 3 does -- well, how is this document used?
 4 A. To ensure that all information was
 5 handled and given to the student. It's a checklist
 6 for financial aid themselves to make sure they cover
 7 everything well with each student that the student
 8 needs to see, and that we have covered everything with
 9 them.
 10 Q. So is this another way of ensuring
 11 consistency with each student?
 12 A. Yes.
 13 Q. On the second page it says, "Rights and
 14 Responsibilities" at the top. It's part of the same
 15 document, right?
 16 A. Right.
 17 Q. You know, coming down it has a bunch of
 18 statements that begin usually, "I understand." And I
 19 take it from looking at other documents that you asked
 20 the student to look at these and initial them; is that
 21 right?
 22 A. That's correct.
 23 Q. How does a student come to understand
 24 these things?
 25 MR. DEWITT: I'm going to object to the

Page 199

1 form. Go ahead. You can answer if you know.
 2 A. It's gone over line item by line item in
 3 the financial aid interview.
 4 Q. So all this information is reviewed in
 5 the --
 6 A. Yes.
 7 Q. -- in that interview?
 8 A. Yes. Yes, it is.
 9 Q. I take it that that phrase "financial aid
 10 interview" is -- that's a phrase that the school uses,
 11 is it?
 12 A. Well, yeah, I guess.
 13 Q. I only ask because --
 14 A. It's during their application process.
 15 It takes an hour or more to go through the whole
 16 information system.
 17 Q. What happens if a student, you know,
 18 comes down to one of these lines and says, I don't
 19 understand that; what is the financial aid staff
 20 supposed to do?
 21 A. Try to explain it to them, as you do me
 22 when I ask you.
 23 Q. So the goal is to work through all of
 24 these items and make sure there is an understanding of
 25 them before moving on to whatever step is next; is

Page 200

1 that fair?
 2 A. It's fair.
 3 Q. Okay. And I think I understand from
 4 before this document can be completed at different
 5 points in the sequence. There is not a set point,
 6 right? It really just depends on when they apply for
 7 financial aid?
 8 A. When they make full application for
 9 financial aid, yes.
 10 (Exhibit Number 33 was marked for
 11 identification).
 12 Q. I'm showing you a one-page document,
 13 Exhibit Number 33, Bates number 22498. Please let me
 14 know when you've had a chance to look at that.
 15 A. I'm aware of it.
 16 Q. Okay. Can you tell me what this document
 17 is?
 18 A. Yes. This is all the items that's to be
 19 in a student's file after they have gone through
 20 financial aid, and all the documents that we should
 21 have in their full student file.
 22 Q. In their full student file or financial
 23 aid specific file?
 24 A. Yeah, financial aid file.
 25 Q. Okay. And is the use of a checklist like

Page 201

1 this another manner of assuring consistency and
2 uniformity with the students?

3 A. That's correct.

4 Q. At what point in the process does this
5 need to have everything checked off?

6 A. Everything may not be checked off. It's
7 only the paperwork that's applicable to that student's
8 application. So it would be at the time that it was
9 applicable to have that checked off. There's no time
10 frame.

11 Q. It says people have -- take out new loans
12 and have loan disbursements over the course of their
13 attendance at RSHT. Is this the kind of document that
14 has to be updated over time?

15 A. Yes. It could be, yes.

16 Q. So it's not necessarily something that's
17 just at the front end before their first class starts.
18 This may be relevant throughout their attendance?

19 A. That's correct.

20 (Exhibit Number 34 was marked for
21 identification).

22 Q. I'm showing you Exhibit Number 34, a
23 one-page document Bates numbered RSHT22539. Let me
24 know when you've had a chance to look at that.

25 A. I'm good.

Page 202

1 Q. You're familiar with this document?

2 A. Yes.

3 Q. And you can tell me -- can you tell me
4 what this is and what it's used for?

5 A. Yes. It's the total tuition worksheet of
6 where whatever -- it occurs after the student has made
7 financial aid application and the EFC code has come
8 back so that the U.S. Department of Education has said
9 this student is allowed X amount of dollars. And so,
10 that's put onto this so that the total tuition will
11 come down so the student knows what they're going to
12 have to contribute or not contribute.

13 Q. So these numbers get filled in before
14 they start their first day of classes?

15 A. Sometimes not, because if the student has
16 to give us more pieces of information for the
17 application, it could be held up a little bit longer.

18 Q. A moment ago you referred to an A-F
19 something code?

20 A. EFC code.

21 Q. Oh, EFC?

22 A. See the EFC?

23 Q. What does that stand for?

24 A. That's -- I don't know. It's code
25 numbers that when the student makes financial aid

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1 application, it goes through the Department of
2 Education, and they send back this code. And that has
3 an EFC code on it. And it's sent to the student's
4 home, and it's also sent -- or to their e-mail address
5 or whatever -- and it's sent to us. So the code tells
6 us -- we have charts that the government sends out.
7 And so, if the EFC code is -- I don't know -- 1071,
8 then they look at the chart to see how much money is
9 being allowed to go to the student.

10 Q. Do the financial aid personnel have to
11 fill out a form like this for every student?

12 A. Yes.

13 MR. DEWITT: I'll just note an objection.
14 You're asking for every student who applies for
15 financial aid?

16 MR. SCHLACTUS: No. I actually was
17 deliberately asking for every student.

18 MR. DEWITT: Okay.

19 A. Every student will fill out one.

20 Q. Regardless of whether or not they're
21 applying for financial aid?

22 A. (Indicating in the affirmative).

23 Q. Are there students who don't apply for
24 financial aid?

25 A. Yes. Yes, we do.

Page 204

1 Q. Roughly what percentage? Is it a
2 significant percentage?

3 A. I don't know. We don't keep that kind of
4 number. I have no idea.

5 Q. This form has a June 1st, 2006 date on
6 it. Has a version of this form been used? Have there
7 been other versions of this form?

8 A. We could have had other versions of this
9 form, but I would think this is the last time we
10 probably updated it because it's the same basic
11 format.

12 Q. And if there were other versions, your
13 understanding is that they would basically be the
14 same?

15 A. Yeah, they would be the same.

16 Q. Okay. The same worksheet is used at all
17 campuses, or has been in the past?

18 A. Yes.

19 Q. Okay. And the same worksheet is used
20 regardless of what program the student is enrolling
21 in?

22 A. Yes.

23 (Exhibit Number 35 was marked for
24 identification).

25 Q. I'm showing you a one-page document,

Page 205

1 Exhibit Number 35, Bates number RSHT0022509. Let me
2 know when you've had a chance to look at that.

3 A. (Indicating in the affirmative).

4 Q. Is this document also used in the
5 financial aid process?

6 A. Yes, it is.

7 Q. And how is this used? What is this
8 document used for, is the better question?

9 A. The cost of attendance is put onto this,
10 along with the EFC code, so that we understand what
11 the unmet amount of the loan or tuition would be, and
12 then what -- in subsidized or unsubsidized loans the
13 U.S. Department of Education has allowed this student,
14 and then from there on whether there is other monies
15 that would be owed, and how that would be taken care
16 of. This is to inform them of their subsidized and
17 unsubsidized allotment from the U.S. Department of
18 Education.

19 Q. Is this completed at the enrollment
20 stage, or is a document like this completed
21 potentially multiple times over a student's attendance
22 at RSHT?

23 A. It could be changed because the student's
24 circumstances could change during the time of
25 enrollment. So you would create another -- or if

Page 207

1 A. Absolutely.

2 Q. I asked you about its use at different
3 campuses. Is the same worksheet used regardless of
4 the program somebody is enrolling in?

5 A. Yes.

6 Q. Come back to Exhibit Number 34, the
7 tuition worksheet.

8 A. Okay.

9 Q. As part of Item B, student contribution,
10 do you see where it says \$40 per month times the
11 length of program?

12 A. Yes.

13 Q. What does that indicate?

14 A. Every student who enrolls and starts
15 school at RSHT is expected to contribute \$40 a month
16 to their own education. And so, all students -- it
17 doesn't matter what program they're in -- pay \$40 per
18 month for the length of time they are in school. If
19 it's a ten-month program, \$40 for each of the ten
20 months, whatever it may be.

21 Q. If it's a ten-month program, but for
22 whatever reason it takes them 12 months to complete,
23 is it ten payments or 12 payments?

24 A. We would have -- unless they would have
25 to be refinanced or something like that, it would have

Page 206

1 they've crossed academic years, or things like that.
2 So you could have more than one copy of a cost of
3 attendance.

4 Q. This has both the Richmond address and
5 the Chester address at the top?

6 A. Yes.

7 Q. Does that mean the same form is used at
8 both campuses?

9 A. That's correct.

10 Q. And would the same format have been used
11 at the Charlottesville campus?

12 A. Yes.

13 Q. This has a 2010 date on it at the bottom;
14 do you see that?

15 A. Yes.

16 Q. Was there a different version in use
17 prior to that?

18 A. It's always been basically the same,
19 because this is stuff that comes from our third-party
20 processor.

21 Q. And there's always been a worksheet like
22 this in use?

23 A. Yeah, there's always been a worksheet
24 like this.

25 Q. Okay.

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1 been the original \$40 for the ten months.

2 Q. And that's regardless of campus or
3 program?

4 A. Regardless.

5 Q. And it's been -- that policy has been in
6 effect since when?

7 A. Oh, I don't know, four or five years
8 probably. I mean, you know, we've been doing it
9 consistently for quite a long time. I can't tell you
10 when we started.

11 Q. Was there a different monthly amount that
12 was required previously?

13 A. No. We've also been \$40 a month.

14 Q. Always for four to five years?

15 A. That's all -- I started that policy.

16 Q. You started that policy?

17 A. I started the policy. So I can't
18 remember what year that I started that policy. No;
19 it's always been \$40 per month.

20 Q. Okay. Why 40?

21 A. We felt that a student, number one,
22 needed to contribute to their own education to, you
23 know, be part of what they wanted to be. And so, we
24 felt that \$40 a month was probably something that was,
25 you know, not outrageous. We didn't expect a lot from

Page 209

1 the student, but we wanted them to be part of their
2 own environment. So we just selected \$40 a month.
3 There wasn't any big analysis of it.

4 Q. Was there -- let me start again. Am I
5 correct in understanding that there was no minimum
6 out-of-pocket requirement prior to your instituting
7 the \$40-a-month requirement?

8 A. No, there was not.

9 Q. There was none?

10 A. No.

11 (Exhibit Number 36 was marked for
12 identification).

13 Q. I'm showing you Exhibit Number 36. This
14 is a two-page document Bates numbered RSHT0022526
15 through 22527. Let me know when you've had a chance
16 to look at that.

17 A. (Witness reviewing document).

18 Q. Can you tell me what this document is?

19 A. Yeah, it's what the admissions -- the
20 financial aid officer actually goes over when they're
21 doing the entrance counseling. They actually go over
22 this -- this information with the student. And the
23 student receives a copy of this at the time so they
24 can have the Web pages and things. And it explains
25 kind of what the cost of attendance worksheet is. It

Page 210

1 goes over that.

2 Q. So is this another document to assure
3 uniformity and consistency in the information
4 communicated to students?

5 A. Yeah, but there's certain things that are
6 required under federal guidelines that you have to
7 inform students of. So part of that information is
8 within here. Part of it is our stuff and part of it
9 is their stuff.

10 Q. Okay. But whatever the source of a
11 requirement, whether it's an internal requirement or a
12 government requirement, this helps you make sure that
13 you consistently and uniformly satisfy the
14 requirements?

15 A. Yes.

16 Q. Is that right?

17 A. Yes.

18 Q. Okay. Is the same form used regardless
19 of the program someone is enrolling in?

20 A. Yes.

21 Q. And has the same form been used at all
22 campuses?

23 A. Yes.

24 Q. This form has a 2009 date on it. Before
25 then and since then, was the same or a substantially

Page 211

1 equivalent form used?

2 A. Yes.

3 (Exhibit Number 37 was marked for
4 identification).

5 Q. I'm showing you a one-page document,
6 Exhibit Number 37, Bates number RSHT0022542. Please
7 let me know when you've had a chance to look at that.

8 A. I'm familiar with it.

9 Q. And can you tell me what this is and how
10 it's used?

11 A. Yes. We try to help the student find
12 sources of scholarships and things that would aid them
13 in being able to go to school. And we do a
14 scholarship day every five weeks, I think, or six
15 weeks, something like that. They research for
16 scholarships the students may apply for, that they
17 could qualify for -- things like that -- to help them
18 with their finances throughout their time at school.

19 Q. Is this the kind of document -- I'm
20 sorry. Is this document something that's used
21 throughout their time in the school, or is this
22 particular one used at the financial aid
23 initial stage?

24 A. This is used at the initial stage to make
25 scholarships, and if there's other sources they can

Page 212

1 look for.

2 Q. And is this form used regardless of the
3 program someone is enrolling in?

4 A. That's correct.

5 Q. And regardless of the campus that they're
6 at?

7 A. That's correct.

8 Q. And has a substantially equivalent
9 version of this form been used over time?

10 A. I think it's just about this one. It's
11 been about the same, unless the scholarship changed,
12 like we added the Goodwill.

13 MR. DEWITT: And just to clarify, what
14 period of time are you referring to?

15 MR. SCHLACTUS: I'm referring to the whole
16 time of her knowledge.

17 THE WITNESS: Yes.

18 MR. DEWITT: Let me just clarify that so
19 that we're clear. She's testifying on behalf of RSHT
20 as the corporate designee, and has searched RSHT's
21 records to prepare for today. So you might want to
22 clarify for her what period of time that would go
23 back.

24 Q. Your knowledge goes -- with respect to a
25 form like this -- goes back how far?

Page 213

1 A. As far as his scholarship working with
2 students for scholarships, we've only been doing that
3 over the past few years, probably three or four years,
4 or something like that. We didn't always do it.

5 Q. And why did that process get instituted?

6 A. To help the student. Basically to help
7 the student.

8 Q. And throughout the time a process like
9 that has been in place, you've used this form or a
10 similar version to this form; is that right?

11 A. That's correct.

12 (Exhibit Number 38 was marked for
13 identification).

14 Q. I'm showing you Exhibit Number 38. This
15 is a one-page document, Bates number RSHT 0006209. If
16 you can let me know when you've had a chance to look
17 at it. And let me also just say I'm not going to ask
18 you any questions particular to the specific student
19 whose information is filled in. I'm just asking about
20 the form.

21 A. I'm aware of it.

22 Q. Okay. Does this relate to the \$40 a
23 month we were just talking about a minute ago?

24 A. Yes.

25 Q. How so?

Page 214

1 A. It just simply tells them that it's a \$40
2 a month payment for 20 months, and what day it starts
3 on, and that there's no interest or anything like
4 that; and if they pay the whole 20 months, what total
5 they'll end up paying.

6 Q. And just to make sure I'm clear, that
7 number of months -- 20 in this case -- just
8 corresponds to the standard length of a particular
9 program?

10 A. Yes.

11 Q. So everybody in the same program is going
12 to have the same number of monthly payments; is that
13 right?

14 A. Yes.

15 Q. And does everybody have to complete and
16 sign a document like this?

17 A. Yes.

18 Q. I'm not asking for a legal analysis, but
19 is it your basic understanding as a CEO that this is
20 effectively an interest-free loan to the student to
21 cover those \$40 monthly payments?

22 A. No, we aren't loaning anything. It's an
23 installment note, but it's not a loan.

24 Q. Again, without asking for any legal
25 analysis, what's the distinction you're drawing there

Page 215

1 between a loan and a note?

2 A. Well, a loan to me is when I give you
3 some money because you've asked me for it, but an
4 installment is just a payment of a -- that you're
5 rendering to me for a service that I'm giving you.

6 (Exhibit Number 39 was marked for
7 identification).

8 Q. I'm showing you Exhibit Number 39. This
9 is a one-page document, Bates number RSHT0022554. Let
10 me know when you've had a chance to look at that.

11 A. (Witness reviewing document).

12 Okay.

13 Q. Can you explain what this type of
14 document is?

15 A. Yes. We charge by semester. We don't
16 charge the whole full tuition up front. It's charged
17 by semester. So this award letter which was designed
18 in accordance with our third-party processor actually
19 breaks down the monies available to the student for
20 those semesters. And they can either accept it or
21 reject it. And so, this is given to them when the
22 financial aid officer does their -- I mean, helps
23 them -- gets their application for financial aid.
24 This is printed out.

25 Q. Does every student who is using financial

Page 216

1 aid to attend get an award letter like this?

2 A. Yes.

3 Q. Regardless of program?

4 A. Regardless of program.

5 Q. Regardless of campus?

6 A. Regardless of campus.

7 Q. And regardless of time period starting
8 with when RSHT became eligible to offer financial aid?

9 A. Yes. There's always been some form of an
10 award letter.

11 Q. This has numbers filled in, but there's
12 no name on this. Is this just a sample?

13 A. Yes.

14 Q. Do you see on the bottom, at least,
15 handwriting where it says 425 on the bottom right?

16 A. Okay.

17 Q. Just above the Bates number?

18 A. Yes.

19 Q. Do you know what that is?

20 A. That's probably the form number. Usually
21 it has a little print in there. As you can see, we
22 usually have the date. I'm not sure what that 425 is
23 under there. It looks like somehow when it was
24 printed it just didn't print off right.

25 Q. And does every student get a new award

Page 217

1 letter every semester?

2 Let me start again. Does every student
3 who is using financial aid to attend get a new letter
4 every semester?

5 A. It depends on the academic award year and
6 how the award year prints out. Like, for example,
7 this shows both semesters for the student. And they
8 can see exactly how much money they will get for both
9 of those semesters. But if the student -- if the
10 award year ended prior to the second semester, we
11 would do another printout.

12 Q. This says, "Estimated cost you will
13 incur." Do you see that?

14 A. Yes, I see it.

15 Q. Is there a subsequent version of each
16 award letter that has financial numbers?

17 A. I don't know. Again, this is how our
18 third-party processor had this set up.

19 Q. The third-party processor that you've
20 referred to a few times --

21 A. I think I can answer that. One of the
22 reasons that you might have an estimated cost in here
23 is if the student failed a class in that semester,
24 they could change the cost then if they had to repeat
25 a course in that semester. It could change the cost,

Page 218

1 and then we'd have to go back and do another award
2 letter.

3 Q. Does that happen with any frequency that
4 a student fails a class?

5 A. I can't answer the frequency, but we do
6 have students fail classes, yes.

7 Q. Are there any mechanisms or policies in
8 place to help a student somehow turn a failing grade
9 into a passing grade by doing something in addition?

10 A. No. They have to repeat the course. If
11 they fail the course, they have to repeat the course.

12 Q. You mentioned the third-party processor.

13 A. Yes.

14 Q. Is that a third party that assists with
15 the financial aid processes?

16 A. Yes.

17 Q. For the school?

18 A. Yes.

19 Q. Okay. Do they assist in any other
20 processes?

21 A. No. They're strictly third-party
22 processors for financial aid.

23 Q. And who is that?

24 A. It's ECM, and they're in New York.

25 Q. And how long have -- has ECM filled that

Page 219

1 role for RSHT?

2 A. From the very beginning. They helped set
3 the program up and the paperwork. They do audits on
4 us every year and things like that.

5 Q. Can I refer you back to Exhibit 22?

6 A. Yes.

7 Q. And specifically if I could ask you to
8 turn to the first acceptance policy, which is Bates
9 number RSHT 22684?

10 A. All right.

11 Q. Do you see at the end of the second
12 paragraph where -- or the sentence starts, "The
13 program," and then eventually continues, "will
14 coordinate the efforts between the student and the
15 financial aid source so that aid is made in a timely
16 manner?"

17 A. Yes.

18 Q. Can you explain in a little more detail
19 on this page what coordinating means?

20 A. Yeah. Whatever financial aid the student
21 is applying for, in order for all the disbursements to
22 take place, they can't just call and ask for the
23 money. There has to be certain information in a
24 document. We ensure all that documentation is sent to
25 ECM to do. And ECM actually requests the disbursement

Page 220

1 once they've assured the student information.

2 Q. So ECM deals with the transmittal of
3 information back and forth with the government?

4 A. Yes. Yes. We don't do that.

5 Q. You don't do that. ECM does that on your
6 behalf?

7 A. Yes.

8 Q. And you stand between the student and
9 ECM?

10 A. Yes.

11 (Exhibit Number 40 was marked for
12 identification).

13 Q. Okay. You can put that one aside again.

14 I'm showing you Exhibit Number 40. This is a long
15 document with the title, "Financial Aid Manual," Bates
16 number RSHT0022424 through 22566. And again, I'm just
17 going ask you some general questions about that, and I
18 may point you to some specific pages for specific
19 questions. Let me know when you're ready.

20 A. (Witness reviewing document).

21 I'm ready.

22 Q. Okay. Is this -- well, how is this
23 document used?

24 A. This is a policy and procedures manual.

25 Q. Okay. So this reflects RSHT's actual

Page 221

1 policy and procedures with respect to financial aid?

2 A. Yes.

3 Q. And who created this document?

4 A. It -- I think the creation probably
5 started from ECM helping us set up the -- I wasn't
6 here, but the document was here when I came. And it's
7 updated as regulations or things like that change.
8 ECM gives us the information for new regulations, or
9 whatever may occur, or the new -- anything that would
10 be in here. It actually is a layout of the
11 U.S. Department of Education manual. So it lays in
12 with the two of them to make sure we're following the
13 policies of the U.S. Department of Education manual.

14 Q. I'm not sure I quite understood what you
15 meant. Do you mean it's structured to match the
16 structure of a federal manual?

17 A. Yeah. It's structured to make sure that
18 we meet all of the requirements under the federal
19 manual. And we do that in coordination with ECM.

20 Q. If you could refer to page 2 of the
21 manual?

22 A. All right.

23 Q. Do you see around the middle it says,
24 "The finance director is responsible for establishing
25 institutional policy?"

Page 222

1 A. Yes.

2 Q. Is that a reference to the position that
3 Ms. Raines holds?

4 A. Yes.

5 Q. So then institutional is a reference to
6 the whole school, not just a single campus; is that
7 right?

8 A. That's correct.

9 Q. If you could turn to page 21. I'm sorry.
10 You can skip that. Sorry about that.

11 If you could turn to page 60. This page
12 begins a list of various forms; is that correct?

13 A. Yes.

14 Q. These are forms used by RSHT in the
15 financial aid process; is that right?

16 A. That's correct.

17 Q. Do these correspond to that financing
18 file checklist we looked at earlier?

19 A. I think so. Most of them should do that,
20 yes, but it's actually a glossary of forms to be used
21 in financial aid.

22 Q. To be used in?

23 A. It's a glossary of the forms that are
24 used in financial aid.

25 Q. Okay. Is this manual given to financial

Page 223

1 aid staff when they start?

2 A. Yes.

3 Q. And then is there training related to
4 this manual?

5 A. Yes.

6 Q. Okay. Can you describe that training?

7 A. Ms. Raines has the meetings with the
8 financial aid, and goes over -- any time there is
9 changes, she has a meeting at our corporate level, any
10 changes that may occur, or it's necessary to revise or
11 whatever. She -- it's her job to ensure that those
12 get implemented and in place.

13 Q. And it's communicated to financial aid
14 staff that they are required to adhere to what's in
15 here; is that right?

16 A. Yes, it is a policy and procedures
17 manual.

18 Q. And the policies and procedures in here,
19 regardless of whether an individual student they're
20 dealing with is at the Chester campus or was at the
21 Richmond campus; is that right?

22 A. That's correct.

23 Q. And the same for whatever program they're
24 enrolled in?

25 A. That's correct.

Page 224

1 Q. Turn to page 1 of the manual.

2 A. Okay.

3 Q. Do you see the last bullet that begins,
4 "Provides each staff member?"

5 A. Okay.

6 Q. Is that an accurate description of the
7 purpose of this manual?

8 A. Yes.

9 Q. And you can put the manual aside.
10 Could you look back to Exhibit Number 21,
11 an excerpt from the school catalog?

12 A. Okay.

13 Q. Yep, that's the one. Could you turn to
14 page 3. There's a statement of the school's mission
15 and philosophy there; do you see that?

16 A. Yes.

17 Q. And there's a statement of the school's
18 purpose right below it?

19 A. Yes.

20 Q. Has the school's mission and philosophy
21 statement been the same over its existence?

22 A. Yes.

23 Q. Has the school's statement of its purpose
24 been the same over its existence?

25 A. Yes.

56 (Pages 221 to 224)

Page 225

1 Q. Does the school put a different statement
2 of mission, philosophy or purpose in any other
3 publications?

4 A. No.

5 Q. The same language is used wherever a
6 statement of mission, philosophy or purpose was made;
7 is that right?

8 A. That's correct.

9 Q. Okay. Thank you. And one more question
10 on that: The mission, philosophy and purpose of the
11 school has been the same regardless of campus or
12 program; is that right?

13 A. Correct.

14 Q. Let me come back to that first call from
15 a student to RSHT. When a student comes in, the first
16 step is an interview with -- well, when a student
17 comes in they fill out a form for certain personal
18 data, right?

19 A. Right.

20 Q. And then the next thing is an admissions
21 interview; is that right?

22 A. That's correct.

23 Q. Are there any circumstances where the
24 school says no, we're not going to give you an
25 interview?

Page 227

1 school. Or if the drug-related things come out,
2 definitely the school -- we inform the student
3 employment may not be possible for them. So we
4 discourage that enrollment if there's convictions of
5 that.

6 Q. You're talking about something that comes
7 back on a background check?

8 A. Yeah. Or it could come out in an
9 interview. It could come out in an interview.

10 Q. You made reference a moment ago to the
11 interview panel. And I'm not sure I heard you use
12 that term before. Can you tell me what that --

13 A. That's just -- the PN, that's just --
14 have to sit before a panel. And we have had cases
15 where we have not enrolled in our PN or RT programs
16 because of circumstances that were created in the
17 panel interview.

18 Q. Has it happened with respect to the other
19 programs, the allied health programs?

20 A. I'm not sure. Could you be more
21 specific, what you're asking.

22 Q. Sure. With respect to people who are
23 seeking to enroll in the allied health program, have
24 any such people had their application denied?

25 A. I don't think that's a straight-out yes

Page 226

1 A. No.

2 Q. And then if somebody after the interview
3 decides they want to apply and they fill out the
4 application, they sign the enrollment agreement, the
5 school will subsequently review their application; is
6 that right?

7 A. The packet goes to the school director,
8 yes.

9 Q. That's the process we talked about
10 earlier?

11 A. Uh-huh (affirmative).

12 Q. How often, if ever, is the application
13 denied?

14 A. Yes, we have had applications denied.

15 Q. Does that happen on a regular basis? Is
16 that an unusual circumstance?

17 A. No -- well, I can't define it as either
18 of those cases because it would be -- we have had it
19 happen. We've had students that we have denied
20 enrollment.

21 Q. What circumstances would cause a denial?

22 A. During the interview panel if the student
23 doesn't have the -- we feel does not have the drive or
24 attitude to come to school, that: My mom sent me
25 here, or whatever, that's not a student we want in

Page 228

1 or no question.

2 MR. DEWITT: Let me just you at this point:
3 What category are you examining Ms. Lake under?

4 MR. SCHLACTUS: This certainly goes to
5 policies for admissions marketing. I'm trying to get
6 to reasons why somebody would be denied admission, if
7 that happens.

8 A. You know, over the years I know that
9 we've had students denied application, but I can't
10 give you specific circumstances of that.

11 Q. One last question from that -- on that,
12 and we'll move on: I mean, do you have a sense of
13 numbers or percentages?

14 A. No.

15 Q. From the way you're answering, it sounds
16 like it's somewhat of a rarity. Is that a take on
17 your answer -- the way you're answering?

18 A. That it's a rarity?

19 Q. A rarity, yeah.

20 A. Yes.

21 (Exhibit Number 41 was marked for
22 identification).

23 Q. Okay. I'm handing you Exhibit Number 41.

24 A. Yes.

25 Q. This is a five-page document, Bates

As you read your deposition, if you have any corrections to make, please itemize them below and upon completion, sign your name to the signature line. This will be attached to your deposition for filing. Thank you.

CORRECTIONS TO DEPOSITION

| PAGE | LINE | EXPLANATION |
|------|------|---|
| 0022 | 15 | DEPARTMENT OF EDUCATION and (VA) OA should be (VA) regulations |
| 0160 | 9 | (Pulls) — should be fills |
| 0176 | 21 | (GRANT) — should be graduation |
| 0178 | 6 | (we prepare) should be they ARE prepared |
| 0256 | 17 | Yes - Should ^{be No} not - After After investigating the storage units and speaking with Ms. Stine All documents were Relocated nothing WAS disposed destroyed or disposed of. |
| 0256 | 9 | Nothing was destroyed. |

9/28/12
DATE

(Carolyn G. Lee)
SIGNATURE

30(b)(6) DEPOSITION
EXHIBIT 18

TELEPHONE SCRIPT FOR FRONT DESK

REDACTED



RSHTProduction#1000002

RSHT0018760

CONFIDENTIAL

30(b)(6) DEPOSITION
EXHIBIT 19

TELEPHONE QUESTIONNAIRE

Rep Name: _____

Name: _____ Date: _____ Source: _____

REDACTED



30(b)(6) DEPOSITION
EXHIBIT 21

RSHT

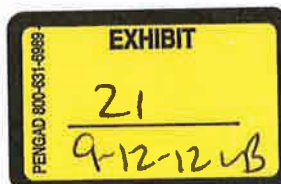


School Catalog

Main Campus
1601 Willow Lawn Drive, Suite 320
Richmond, VA 23230

Branch Campus
751 West Hundred Road
Chester, VA 23836

7/2011



RSHT
Addendum E
Catalog Update

The attached shows changes made to RSHT catalog dated July 2011.

Changes are effective as of:

Date: October 6, 2011

The application and readmission fee has been changed from \$75.00 to \$25.00 as indicated on the following pages in the School Catalog:

Page 10:

The second paragraph should read as follows:

"A readmission fee of \$25.00 for Practical Nursing and Allied Health Programs will be required."

Page 13

The first paragraph should read as follows:

"A period of three (3) business days, weekend and holidays excluded, is provided during which an applicant may cancel his/her enrollment by written notification to the School Director, without financial obligation other than the \$25.00 application fee."

The third paragraph should read as follows:

"All students will be charged a non-refundable \$25.00 application fee in addition to the tuition charges, as specified below"

RSHT

Learn How Far Your Mind Can Take You!

Main Campus

Phone (804) 288-1000

Fax (804) 288-1006

***1601 Willow Lawn Drive, Suite 320
Richmond, VA 23230***

Branch Campus

Phone (804) 751-9191

Fax (804) 751-2599

***751 West Hundred Road
Chester, VA 23836***

Revised: July 2011

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WELCOME FROM THE PRESIDENT

Dear Student:

Welcome! Do you believe it? You have passed the admissions interview and testing, and you are here! "Now what?" you may ask. Let me tell you about the great events that lie ahead. You will be meeting an exciting team of staff and instructors whose only purpose is to prepare you, and help you find your chosen career. They will assist you every step of the way. Our job is finished only when we have prepared and placed you on the job for which you were trained.

We have staff members who will do everything from helping you prepare a résumé to providing assistance with dressing you for successful interviews. We have the same mission as you do. We will show up every day and be prepared for your classes, and you need to do the same.

"Every day, give the world your best, and the best will come back to you." We believe this statement, and so should you.

Let me know how we are doing. If you have suggestions, just give the staff a sealed envelope addressed to me, and I'll get back in touch with you.

Welcome to the rest of your life!

Sincerely,

Margarett R. Knight

Margarett R. Knight
President

1

RSHTProduction#1003058

RSHT0021816

APPROVALS, LICENSURE, ACCREDITATION**RSHT:**

Is accredited with the Commission of the Council on Occupational Education (COE).

Holds a certificate to operate from the Commonwealth of Virginia, State Council of Higher Education for Virginia.

Has approved programs for the training of eligible veterans by the Committee on Veterans Education, Department of Education, Commonwealth of Virginia.

Is approved to offer programs for the training of eligible individuals by the Commonwealth of Virginia, Department of Rehabilitative Services.

Is approved by the Commonwealth of Virginia, Board of Nursing to offer the Practical Nursing Program.

Is approved by the Commonwealth of Virginia, Board of Pharmacy to offer the Pharmacy Technician Program.

Is approved by the Joint Review Committee on Education in Radiologic Technology (JRCERT) to offer the Radiologic technology Program.

Is approved by the U.S. Department of Education to offer federal financial aid.

2

RSHTProduction#1003059

ABOUT RSHT**Mission/Philosophy**

The mission of RSHT is to provide educational career programs which prepare students to succeed in selected professions. Students at RSHT are provided the opportunity to develop knowledge and skills; self-discipline and confidence; a professional attitude; and the ability to meet employer expectations in order to enter and advance in the job market.

Providing a quality educational experience to each individual student is a priority at RSHT. The needs of the students remain in the forefront of the daily activities of each employee. The management of this school requires and expects that quality and prompt service will be provided to each student on a consistent basis.

Purpose

The primary purpose of RSHT is to instruct students to such competency levels that they are qualified for employment and/or advancement in existing or potential occupational fields.

Equal Opportunity Statement

The goal of RSHT is to present the opportunity for job development and career advancement to all persons who commit to this goal when enrolling in school. This opportunity is given to all persons without regard to race, religion, color, sex, disability, age or national origin.

3

RSHT0021817

History

Richmond School of Health and Technology (now RSHT) was incorporated in February 1997 for the purpose of providing residents of the Richmond Metropolitan Area with a quality professional school with diverse training programs.

After an extensive search for a facility to house this school, the location at 421 E. Franklin Street, Richmond, VA was selected. The school started on the third floor in June 1997.

Application was made with the Commonwealth of Virginia, Department of Education, to offer the following programs: Computer Specialist, Data Entry, Medical Office Administration, Medical Transcription, Paralegal, Medical Assistant, Massage Therapy, Aesthetics I, Aesthetics II, and Respiratory Technician Assistant Programs. Approval of these programs was granted in June 1997.

- September 2, 1997, Richmond School of Health and Technology started its first classes.
- March 1998, approval was granted from the Commonwealth of Virginia, Board of Nursing, to offer the Nurse Aide Program. In July 1998, the Board of Nursing also granted Phase II approval of the PN Program. The first Practical Nursing Class graduated on December 2, 1999. Full approval of the Practical Nursing Class was granted in May 2000.
- November 1998, Richmond School of Health and Technology submitted its application for accreditation to the Commission of the Council on Occupational Education (COE). Candidacy status was confirmed in December 1998, and the school became fully accredited by COE in September 1999.
- December 1999, Richmond School of Health and Technology was approved by the U.S. Department of Education to participate in its Title IV Program. In January 2000, Richmond School of Health and Technology began offering Federal Financial Aid to eligible students.
- January 2000, application was made with the Department of Education/Commonwealth of Virginia Board of Pharmacy to offer the Pharmacy Technician Program. Approval was granted in April 2000.
- June 1, 2001, Richmond School of Health and Technology realized another of its goals. The first branch campus was opened at 702 Charlton Avenue, Suite A Charlottesville, VA. Classes started in September 2001.
- August 2001, Richmond School of Health and Technology relocated its main campus to 3412 Lamont Street in Richmond. The school was housed there on a temporary basis while its permanent facility was being prepared.
- June 1, 2002, Richmond School of Health and Technology relocated its main campus to its current facility at 1601 Willow Lawn Drive, Suite 320, Richmond, VA.
- May 2003, Richmond School of Health and Technology changed its trade name to **RSHT Training Center**
- September 2005, the Medical Billing and Coding Program was approved.
- January 2006 the trade name was changed to RSHT, dropping the term Training Center.
- March 2006, RSHT opened a branch campus located in Chester Virginia.
- June 2006, RSHT received approval to offer Associate of Applied Science Degrees.
- November 2006, RSHT trained out the Charlottesville campus.
- March 2008 – An additional 6000 square feet of classroom/laboratory space was added to the Chester location.
- March 2008 – Massage Therapy was added to the curriculum for both campuses.
- April 2008 – Radiologic Technology opened at the Chester location.
- April 2009 – Community Home Health was approved.
- April 2010, RSHT is accredited by the Joint Review Committee on Education in Radiologic Technology (JRCERT) for the Radiologic Technology Program.
- March 2011, RSHT received approval to offer 900 Clock Hour Diploma Programs for Massage Therapy, Pharmacy Technician, and Medical Billing/Coding.

RSHT will continue to seek innovative ways to offer opportunities to those who desire to acquire and increase their skills and capabilities.

Consumer Information: www.rsht.edu

Facilities and Equipment

The main campus is located in the Willow Lawn section of Henrico County. This facility provides approximately 16,500 square feet of space which is used for education and administration.

This facility is completed with a nursing laboratory, four allied health labs, two computer labs, lecture classrooms, student lounge, faculty/staff lounge, media center/conference room, offices, restrooms, and a reception area.

RSHT utilizes fully networked and Internet accessed equipment in the computer labs, providing students with "hands-on training" in the specialized fields. Ample work areas are provided with appropriate instructional equipment utilized in all courses of study. Class sizes average 20 - 25 students.

Practical labs for the allied health and nursing programs are furnished with the necessary equipment to teach the most up-to-date skills.

The Chester campus is conveniently located in the Phoenix I Building complex on Iron Bridge Road (Route 10) between I-95 and I-295 near the River Bends Complex. This facility provides approximately 11,400 square foot of space. The Chester campus is completed with three medical laboratories, radiologic laboratory, computer laboratory, classrooms, media center, student lounge, faculty work/lounge, administrative offices, restrooms and reception area. State-of-the-practice equipment is utilized at this location. The computer lab and media center is fully networked with internet access. Class sizes average 20-25 students.

ADMISSIONS AND TUITION INFORMATION

Admissions Requirements

It is the policy of RSHT to recruit and admit only those students who can demonstrate a sincere desire to succeed in life with new career skills and those who have a positive attitude toward learning. To be considered for enrollment in the **Practical Nursing Program**, the following factors are necessary:

1. Completed application forms.
2. Proof of high school graduation or GED.
3. Satisfactory completion of the Pre-Nursing Aptitude Test. (Note: this test may only be taken twice within the calendar year)
4. Panel Meeting, to include two letters of recommendation (i.e. teachers, employers, nurses, guidance counselor) and a 500 word typed essay entitled "Why I want to become a nurse"

Individuals with felony or misdemeanor convictions must request approval from the Commonwealth of Virginia, Board of Nursing, in order to take the National Council Licensure Examination for Practical Nurses (NCLEX-PN). The Board may either grant or deny this request.

To be considered for enrollment in the **Radiologic Technology Program**, the following factors are necessary:

1. Completed application forms
2. Proof of high school graduation or GED
3. Satisfactory completion of the Aptitude Test. (Note: this test may only be taken twice within the calendar year)
4. Panel Meeting, to include two letters of recommendation (i.e. teachers, employers, nurses, guidance counselor) and a 500 word typed essay entitled "Why I want to become a Radiologic Technician".

Individuals with felony or misdemeanor convictions must request approval from The American Registry of Radiologic Technologists (ARRT) in order to take the ARRT Certification Test. They may either grant or deny this request. Reference enrollment form #170 for Accreditation/Certification information.

Catalog Addendums

- Tuition and Fees- A
- Safety Report- B
- Faculty Listing- C
- State Council of Higher Education for Virginia Information- D
- Virginia Board of Nursing Information- E1

(Available upon Request)

To enroll in the Allied Health programs offered by this school, the following factors are considered:

1. Proof of high school graduation or GED.
2. Completed Application forms.

Admissions Procedure

To qualify for enrollment at RSHT, each applicant must meet the following requirements:

1. Have a personal interview with an Admissions Representative to discuss the student's desire and ambition; previous education and work experiences; and the suitability of RSHT's program to satisfy the students' needs.
2. Pass the standardized admissions test (Practical Nursing/Radiologic Technology).
3. Complete an admissions application and pay the application fee.
4. Complete background check paperwork.
5. Complete and submit a request for official transcripts from high school, GED program, professional school and all colleges attended.
6. Complete and sign an enrollment agreement.
7. Complete an interview with RSHT's Nursing/Radiologic Panel, to include two letters of reference and a 500 word essay (Practical Nursing and Radiologic Technology Programs).

Upon completion of the above steps, the candidate's application is reviewed by the Admissions Committee and submitted to the School Director for approval. Notification of acceptance is made on a continuing basis, and individuals will be notified in writing as soon as possible, generally within three school days. RSHT admits applicants without regard to race, religion, color, disability, sex, age or national origin.

Notification of Acceptance

Applicants who are accepted for admission will receive an Acceptance Letter following the review and approval of their application by the School Director.

30(b)(6) DEPOSITION
EXHIBIT 23



ADMISSIONS INTERVIEW FOLLOW-UP SURVEY

ADMISSIONS OFFICERS NAME _____ DATE _____

Your Name _____ Program of Interest _____

REDACTED



30(b)(6) DEPOSITION
EXHIBIT 24



RSHT
1601 Willow Lawn Drive
SUITE 320
Richmond VA 23230
(804) 288-1000 FAX:(804)288-1006
Application for Admission

| OFFICE USE ONLY | |
|-----------------|--|
| Start Date | |
| Adm Code | |

REDACTED





RSHT
751 West Hundred Road, RT 10
Chester, VA 23836
(804) 751-9191 FAX (804) 751-2599

| OFFICE USE ONLY |
|------------------|
| Start Date _____ |
| Adm Code _____ |

Application for Admission

REDACTED

30(b)(6) DEPOSITION
EXHIBIT 25

RSHT

ENROLLMENT AGREEMENT

☐ Main Campus:
1601 Willow Lawn Drive, Suite 320
Richmond, VA 23230

Branch Campus: ☐
751 West Hundred Road
Chester, VA 23836

Name: _____ SSN: _____
First MI Last

Address: _____ Birth date: _____

City _____ State _____ Zip Code: _____

Telephone _____ Email _____

As the above-named applicant, I hereby agree to be enrolled in the _____
program which is _____ weeks of instructional time. Classes are scheduled to begin on _____
and end on _____. Classes meet _____ from _____ to _____.

Total tuition of \$_____, a non-refundable application fee of \$_____. Should I have to repeat
a course, I will be charged a *per credit hour* fee of \$_____ for didactic and *per credit hour* fee of
\$_____ for clinical externship. I hereby acknowledge payment of a deposit of \$_____,
leaving a balance due to the institution of \$_____.

I hereby agree to all provisions of this Enrollment Agreement, and understand that I have agreed to accept a place
in the class described above and agree to pay to RSHT all fees according to the terms and conditions contained
herein. Furthermore, I acknowledge that I have read, fully understand, and received a copy of this agreement.

I understand that this agreement becomes a legally binding instrument upon the school's written acceptance of my
application, unless cancelled by me pursuant to the refund policy contained within this agreement.

Student Signature: _____ Date: _____

Grantor's Signature: _____ Date: _____

Note: Please read and initial the statements on the back of this sheet.



RSHT is certified to operate in Virginia by the State Council of Higher Education for Virginia

Form # 105 Revised cl 9.8.10

Attendance:

Attendance is required at all scheduled classes. If in an emergency an absence becomes necessary, the student must notify the school prior to the beginning of the scheduled class. Students with seven consecutive absences or total absences exceeding 20% of their scheduled classes will be withdrawn from the program. Refer to the School Catalog and Student Handbook for further details.

Initials _____

Tuition:

Tuition cost includes actual tuition, initial textbook cost, training supplies, and clinical/externship uniform (where applicable).

Initials _____

Cancellation and Refund Policy:

If an applicant cancels this agreement no later than the third business day after the date of this agreement, a full refund will be made minus the non-refundable application fee. The application fee for all programs is \$75.00. If a class is cancelled by the school, all monies will be refunded.

All students will be charged a non-refundable application fee in addition to the tuition charges as specified below. The portion of the program completed will be determined by the number of weeks attended. Any portion of a week's attendance will be considered a full week for the purpose of the refund calculation.

1. If a student does not begin classes, no more than \$100.00 of the tuition paid will be retained by the school.
2. A student who enters school but withdraws prior to completing the first 25% of the period charged will be assessed 50% of the tuition charges for the period.
3. A student, who withdraws after completing the first 25%, but prior to completing 50% of the period charged, will be assessed 75% of the tuition charges for the period.
4. A student who withdraws after completing half, or more than half, of the period charged is assessed 100% of the tuition charges for the period.

Refunds are made within 30 days of the cancellation date or date of withdrawal.

Initials _____

Standards:

Students are required to abide by the proper standards for dress and conduct while in attendance at all classes and externship training. Profanity, disorderly conduct, or other action which, in the opinion of the school is disruptive, will not be tolerated and will be grounds for dismissal from the program.

Initials _____

Placement:

Each graduate may avail him or herself of the school's job placement assistance program. RSHT DOES NOT GUARANTEE EMPLOYMENT. However, every effort will be made to assist the graduate in obtaining employment. There is no charge for this service.

Initials _____

RSHT reserves the right to make changes to the program start date, content, schedule, and/or training hours as deemed necessary.

Initials _____

Conditions of Agreement:

This constitutes the entire agreement between the applicant and the school, and no other promise or agreement, expressed or implied, has been made either orally or in writing. Should the student fail to meet the terms of his/her financial obligations contained in this agreement, the school reserves the right to add to this agreement a reasonable amount for collection costs incurred including, but not limited to, collection agency fees, attorney fees of 33.3%, court costs, etc.

Initials _____

Form # 105 Revised ct 9.8.10

RSHT is certified to operate in Virginia by the State Council of Higher Education for Virginia

30(b)(6) DEPOSITION
EXHIBIT 27

NAME (Print) [REDACTED]

PROGRAM/START DATE

ST - 3/17/08
START Date**RSHT - CHESTER - ENROLLMENT CERTIFICATION**

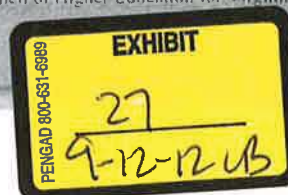
Please read each of the following statements and initial in the space provided to the right of each statement.
Please do not hesitate to ask questions.

1. Students are required to maintain satisfactory academic progress in accordance with the Academic Information in the *Catalog*. I understand that homework/outside class preparation is required. MB
2. Financial Aid is available to eligible students upon completion, submission, and processing of a financial aid application. Please note that, in most cases, student financial aid awards include loans. Be sure you know your rights and responsibilities (see *Catalog*, Financial Aid information). MB
3. Tuition payments are to be made as scheduled. Tuition charges for early withdrawal are calculated in accordance with RSHT's refund policy (see *Catalog*, Enrollment Agreement – Cancellation and Refund Policy). MB
4. The criteria for graduation is outlined in the *Catalog* and includes high school/GED completion documentation, attendance, financial, and meeting academic progress requirements (See *Catalog*, Requirements for Graduation). Graduates seeking job placement assistance must qualify for such assistance as outlined in the *Catalog* (see Job Placement Assistance). Graduate surveys demonstrate that an average of 91.56 of students who graduated between December 1, 2006 and November 30, 2007 are employed in training-related positions. MB
5. The graduation rate for students scheduled to graduate and seeking a degree or diploma between December 1, 2006 and November 30, 2007 was 71.9%. Students should make every effort to regularly attend class, complete make-up work when absent, and actively seek advice should problems arise that may adversely affect program completion (see *Catalog*, Makeup/Incomplete and Counseling Services). MB
6. Graduate salaries vary and are affected by job location, graduate experience, and class standing. In a survey of Main Campus graduates available for placement, who graduated between December 1, 2006 and November 30, 2007, the approximate average entry-level starting salaries for individuals without prior experience in these training areas were:

| Program Area | Entry-Level Wages |
|----------------------------|----------------------|
| Practical Nursing | \$34,832.00 per year |
| Medical Assistant | \$21,147.00 per year |
| Pharmacy Technician | \$18,613.00 per year |
| Medical Billing and Coding | \$25,049.00 per year |

MB
7. Students are to park ONLY in designated areas. Receipt of student parking instructions is acknowledged. Violators of RSHT's parking policy are subject to probation, suspension, or dismissal. MB
8. I understand that Clinical and Externship hours are scheduled according to site requirements; which may not coincide with my class schedule. MB
9. Any class failed by a student must be repeated. A class may not be repeated more than once without approval of the Director. There is a charge per credit hour for all repeats. MB
10. Students who withdraw and subsequently re-enter are subjected to policies in effect at the time of their re-entry. MB

Form 207 revised 12/18/07
RSHT is certified to operate in Virginia by the State Council of Higher Education for Virginia



RSHT0006075

11. All students must complete their program within 150% of the normal time frame. MB
12. A student's enrollment will be terminated for excessive absences which result in unsatisfactory academic progress in a class or if such absences are determined to be without sufficient reason. State regulations require any student who misses seven (7) consecutive days to be withdrawn from the program. Students with excessive absences may have their records reviewed by the School Director (see *Catalog*, Attendance/Appeal). MB
13. RSHT reserves the right to terminate a student's enrollment on the following grounds: nonconformity with RSHT policy and regulations including parking; unsatisfactory progress; unsatisfactory attendance; nonpayment of tuition; security violations; possession or use on campus on campus of any drugs or alcohol; conduct damaging to facilities; or disruption of academic processes (see *Catalog*, Dismissal from School). MB
14. The honor System at RSHT is based on individual integrity. This system assumes that every student will accept his or her role in the academic community with a feeling of self respect and duty. I pledge to support the Honor System or RSHT. I will neither give nor receive aid on any assignment. I will report any violations of this honor code to an instructor or director. I certify that I have read the Honor Code and that I will abide by its intent. MB
15. RSHT does not tolerate alcohol or drugs on campus. In addition, students who have a problem or have knowledge of another student with a drug or alcohol related problem are encouraged to speak confidentially with the School Director. A confidential appointment can be scheduled by calling the Director. Possession or use on campus of any firearm or other dangerous weapon or incendiary device or explosive material, unless such possession or use has been authorized by the Institute, may subject the student to suspension, dismissal, or termination. MB
16. A Safety Report for this campus is available at the front desk. Copies are available free of charge upon request. MB
17. Students or graduates seeking to transfer to another institution acknowledge that the transfer/acceptance of credit is the prerogative of each individual post-secondary institution within their own guidelines and policies and RSHT makes no claim in this regard except in those cases where written articulation agreements are in place (see *Catalog*, Transfer Credits). MB
18. It is important for graduates to keep an accurate address and phone number on file for mailings and job placement services. MB
19. The Commonwealth of Virginia, Department of Health Professions, Board of Nursing requires licensure of practical nurses in accordance with the Code of Virginia. A Practical Nurse graduate must pass the State Examination in order to become employed and carry the title LPN. MB
20. Academic Accommodations for students with disabilities are provided on a case-by-case basis. Request for accommodation should be made directly to the Director. MB
21. I have read and understand the student grievance procedure stated in the school catalog (see *Catalog*, Student Grievance Procedure). MB

I hereby acknowledge reading the above referenced statements and understand my rights and responsibilities as a student at RSHT. I also acknowledge that I received a copy of RSHT's *Catalog* and my Enrollment Agreement at the time of my enrollment. MB

Student Signature [REDACTED]

Date 3/12/13 MB

30(b)(6) DEPOSITION
EXHIBIT 28

NAME (Print) [REDACTED]

MA
PROGRAM/START DATE 11-17-08**RSHT - RICHMOND- ENROLLMENT CERTIFICATION**

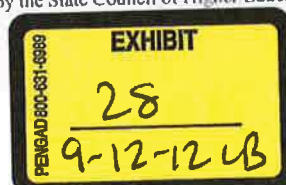
Please read each of the following statements and initial in the space provided to the right of each statement.
Please do not hesitate to ask questions.

1. Students are required to maintain satisfactory academic progress in accordance with the Academic Information in the *Catalog*. I understand that homework/outside class preparation is required. B/A
2. Financial Aid is available to eligible students upon completion, submission, and processing of a financial aid application. Please note that, in most cases, student financial aid awards include loans. Be sure you know your rights and responsibilities (see *Catalog*, Financial Aid information). B/A
3. Tuition payments are to be made as scheduled. Tuition charges for early withdrawal are calculated in accordance with RSHT's refund policy (see *Catalog*, Enrollment Agreement - Cancellation and Refund Policy). B/A
4. The criteria for graduation is outlined in the *Catalog* and includes high school/GED completion documentation, attendance, financial, and meeting academic progress requirements (See *Catalog*, Requirements for Graduation). Graduates seeking job placement assistance must qualify for such assistance as outlined in the *Catalog* (see Job Placement Assistance). Graduate surveys demonstrate that an average of 91.56 of students who graduated between December 1, 2006 and November 30, 2007 are employed in training-related positions. B/A
5. The graduation rate for students scheduled to graduate and seeking a degree or diploma between December 1, 2006 and November 30, 2007 was 71.9%. Students should make every effort to regularly attend class, complete make-up work when absent, and actively seek advice should problems arise that may adversely affect program completion (see *Catalog*, Makeup/Incomplete and Counseling Services). B/A
6. Graduate salaries vary and are affected by job location, graduate experience, and class standing. In a survey of Main Campus graduates available for placement, who graduated between December 1, 2006 and November 30, 2007, the approximate average entry-level starting salaries for individuals without prior experience in these training areas were:

| <u>Program Area</u> | <u>Entry-Level Wages</u> |
|----------------------------|--------------------------|
| Practical Nursing | \$34,832.00 per year |
| Medical Assistant | \$21,147.00 per year |
| Pharmacy Technician | \$18,613.00 per year |
| Medical Billing and Coding | \$25,049.00 per year |

B/A
7. Students are to park ONLY in designated areas. Receipt of student parking instructions is acknowledged. Violators of RSHT's parking policy are subject to probation, suspension, or dismissal. B/A
8. I understand that Clinical and Externship hours are scheduled according to site requirements, which may not coincide with my class schedule. B/A
9. Any class failed by a student must be repeated. A class may not be repeated more than once without approval of the Director. There is a charge per credit hour for all repeats. B/A
10. Students who withdraw and subsequently re-enter are subjected to policies in effect at the time of their re-entry. B/A

Form 207 revised ha 12/18/07
RSHT is certified to operate in Virginia by the State Council of Higher Education for Virginia



RSHT0003474

11. All students must complete their program within 150% of the normal time frame. BP
12. A student's enrollment will be terminated for excessive absences which result in unsatisfactory academic progress in a class or if such absences are determined to be without sufficient reason. State regulations require any student who misses seven (7) consecutive days to be withdrawn from the program. Students with excessive absences may have their records reviewed by the School Director (see *Catalog*, Attendance/Appeal). BP
13. RSHT reserves the right to terminate a student's enrollment on the following grounds: nonconformity with RSHT policy and regulations including parking; unsatisfactory progress; unsatisfactory attendance; nonpayment of tuition; security violations; possession or use on campus of any drugs or alcohol; conduct damaging to facilities; or disruption of academic processes (see *Catalog*, Dismissal from School). BP
14. The honor System at RSHT is based on individual integrity. This system assumes that every student will accept his or her role in the academic community with a feeling of self respect and duty. I pledge to support the Honor System or RSHT. I will neither give nor receive aid on any assignment. I will report any violations of this honor code to an instructor or director. **I certify that I have read the Honor Code and that I will abide by its intent.** BP
15. RSHT does not tolerate alcohol or drugs on campus. In addition, students who have a problem or have knowledge of another student with a drug or alcohol related problem are encouraged to speak confidentially with the School Director. A confidential appointment can be scheduled by calling the Director. Possession or use on campus of any firearm or other dangerous weapon or incendiary device or explosive material, unless such possession or use has been authorized by the Institute, may subject the student to suspension, dismissal, or termination. BP
16. A Safety Report for this campus is available at the front desk. Copies are available free of charge upon request. BP
17. Students or graduates seeking to transfer to another institution acknowledge that the transfer/acceptance of credit is the prerogative of each individual post-secondary institution within their own guidelines and policies and RSHT makes no claim in this regard except in those cases where written articulation agreements are in place (see *Catalog*, Transfer Credits). BP
18. It is important for graduates to keep an accurate address and phone number on file for mailings and job placement services. BP
19. The Commonwealth of Virginia, Department of Health Professions, Board of Nursing requires licensure of practical nurses in accordance with the Code of Virginia. A Practical Nurse graduate must pass the State Examination in order to become employed and carry the title LPN. BP
20. Academic Accommodations for students with disabilities are provided on a case-by-case basis. Request for accommodation should be made directly to the Director. BP
21. I have read and understand the student grievance procedure stated in the school catalog (see *Catalog*, Student Grievance Procedure). BP

I hereby acknowledge reading the above referenced statements and understand my rights and responsibilities as a student at RSHT. I also acknowledge that I received a copy of RSHT's *Catalog* and my Enrollment Agreement at the time of my enrollment.

Student Signature _____

Date 11-11-08

30(b)(6) DEPOSITION
EXHIBIT 29



RSHT

1601 Willow Lawn Dr., Suite 320
Richmond, Va. 23230
(Main)

751 West Hundred Road
Chester, VA 23836
(Branch)

Dear _____:

REDACTED

Admissions Officer

RSHT is certified to operate in Virginia by the State Council of Higher Education for Virginia

Form 113 Orientation HA 10/29/07

RSHTProduction#1003922

Confidential



RSHT0022680

30(b)(6) DEPOSITION
EXHIBIT 32

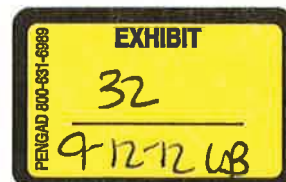
Entrance Interview

REDACTED

Form 410 revised ct 6/9/09

RSHTProduction#1003766

Confidential



RSHT0022524

REDACTED

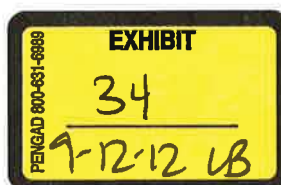
Form 410 revised ct 6/9/09

30(b)(6) DEPOSITION
EXHIBIT 34

Tuition Worksheet

Student Name: _____ Social Security Number: _____
Program: _____ Start Date: _____

REDACTED



Form 416 ha 6/1/06

30(b)(6) DEPOSITION
EXHIBIT 35

**Cost of Attendance Worksheet
RSHT**

1601 Willow Lawn Drive, Suite 320
Richmond, Virginia 23230
(804) 288-1000
(804) 288-1006 Fax

751 West Hundred Road
Chester, Virginia 23836
(804) 751-9191
(804) 751-2599 Fax

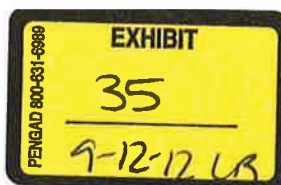
Date: _____

Student's Name: _____
Last First Middle

Social Security: _____

Academic Year: _____

REDACTED



Form 404 revised ct 2.9.10

30(b)(6) DEPOSITION
EXHIBIT 36

Entrance Counseling Requirements:

REDACTED



Form 449 ct 6/10/09

REDACTED

Student's Name Printed

Social Security Number

Student's Signature

Date

Financial Aid Signature

Date

Form 449 ct 6/10/09

30(b)(6) DEPOSITION
EXHIBIT 38

RSHT — INSTALLMENT NOTE AND DISCLOSURE STATEMENT

Date 2/13/08

As payment for tuition at RSHT in (City, State) Chester, VA

I promise to pay to the school or order, the sum of \$ 800 (includes principal and interest)

As follows: 20 installments of \$ 40.00 beginning on (date) 4/1/08

All subsequent installments shall be payable on the same day of each consecutive month thereafter until paid in full.

This note is subject to the terms and conditions contained in the Enrollment Agreement and the "Disclosure Statement," which are incorporated herein by reference as though set forth in full. Should default be made in any payment when due, the whole sum of principal and interest shall immediately become due and payable at the option of the holder of this Note. Principal and interest payable in lawful money of the United States. If action is instituted on this Note, I promise to pay such sum as the court may fix as attorney's fees and court costs.

By signing below, Buyer and Co-Buyer (where applicable) acknowledge receipt of a complete and true copy of this Installment Note and jointly and severally agree to all of the terms and conditions.

| | |
|--|--|
| Buyer / Sign Here <u>[Redacted]</u> Print Name <u>[Redacted]</u> Address <u>[Redacted]</u> City <u>Hopewell</u> State <u>VA</u> Zip <u>23860</u> Home Tel. <u>[Redacted]</u> Work Tel. () Social Security No. <u>[Redacted]</u> | Co-Buyer Sign Here _____ Print Name _____ Address _____ City _____ State _____ Zip _____ Home Tel. () _____ Work Tel. () _____ Social Security No. _____ |
|--|--|

DISCLOSURE STATEMENT

| ANNUAL PERCENTAGE RATE: | FINANCE CHARGE: | AMOUNT FINANCED: | TOTAL OF PAYMENTS: | TOTAL SALES PRICE: |
|---|---|---|--|---|
| The cost of your credit as a yearly rate. | The dollar amount the Credit will cost you. | The amount of credit provided to you or on your behalf. | The amount you will have paid after you have made all payments as scheduled. | The total cost of your purchase On credit, including your down Payment of \$ <u>0</u> |
| <u>0</u> % | <u>0</u> | <u>800</u> | <u>\$ 800</u> | <u>\$ 800</u> |

YOUR PAYMENT SCHEDULE WILL BE:

| Number of payments | Amount of each payment | When payments are due |
|--------------------|------------------------|--|
| <u>20</u> | <u>40.00</u> | Monthly, beginning <u>4/1/08</u> and on the same day of each month thereafter. |

LATE CHARGES: If any payment is more than 10 days late, you will be charged 5% of the payment or \$5.00, whichever is less, but in no event less than \$1.00.

PREPAYMENT: If you pay off early, you may be entitled to a refund of part of the finance charge.

Buyer is entitled to pay in advance the remaining unpaid balance due hereunder and receive a refund of the FINANCE CHARGE computed in accordance with the appropriate state statutes.

NOTICE: Any holder of this consumer credit contracts subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained pursuant hereto or with the proceeds hereof. Recovery hereunder by the debtor shall not exceed amounts paid by the debtor hereunder.

NOTICE TO BUYER: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is \$1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request.

Itemization of the Amount Financed

| | |
|----------------------|----------------|
| 1. Cash Price | |
| a. Tuition | \$ <u>800</u> |
| b. Registration Fee | \$ <u>0</u> |
| c. Other | \$ <u>0</u> |
| 2. Total Cash Price | \$ <u>800</u> |
| 3. Less Deductions | |
| a. Cash Down Payment | \$ <u>0</u> |
| b. | \$ <u>0</u> |
| c. | \$ <u>0</u> |
| 4. Total Deductions | (\$ <u>0</u>) |
| 5. Amount Financed | \$ <u>800</u> |

PENGAD 800-631-6889

EXHIBIT

38

9-12-12 UB

Form 415 mhs 3/29/06

RSHT0006209